
**AMENDED AND RESTATED
TRUST INDENTURE**

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

TO

**THE FIRST NATIONAL BANK OF CHICAGO,
AS TRUSTEE**

Effective March 31, 1999

TABLE OF CONTENTS

**ARTICLE I
DEFINITIONS AND CONSTRUCTION**

	<u>Page</u>
Section 101. Definitions	2
Section 102. Miscellaneous Definitions.....	15
Section 103. Hedging Transactions.....	15

ARTICLE IIAUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authorization of Bonds	17
Section 202. General Provisions for Issuance of Bonds	17
Section 203. 1985 Series Bonds.....	19
Section 204. Additional Senior Bonds.....	20
Section 205. Junior Bonds	23

ARTICLE IIIGENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Obligation of Bonds; Medium of Payment; Form and Date; Letters and Numbers	24
Section 302. Legends.....	25
Section 303. Execution and Authentication.....	25
Section 304. Negotiability, Transfer and Registry	26
Section 305. Provisions With Respect to Exchanges and Transfers	26
Section 306. Bonds Mutilated, Destroyed, Stolen or Lost	26
Section 307. Temporary Bonds.....	27

ARTICLE IVREDEMPTION OF BONDS

Section 401. Privilege of Redemption and Redemption Price.....	28
Section 402. Redemption at the Election or Direction of the Authority.....	28
Section 403. Redemption Otherwise Than at Authority's Election or Direction	28
Section 404. Selection of Bonds to be Redeemed	29
Section 405. Notice of Redemption	29
Section 406. Payment of Redeemed Bonds	29
Section 407. Optional Redemption of 1985 Series Bonds.....	30
Section 408. Redemption Pursuant to Sinking Fund Installments.....	30

ARTICLE VREVENUES AND ESTABLISHMENT AND APPLICATION OF FUNDS

Section 501. The Pledge and Lien Effected by this Indenture	31
---	----

Section 502.	Establishment of Revenue Fund and Accounts	32
Section 503.	Establishment of Construction Fund	33
Section 504.	Revenue Fund	34
Section 505.	Maintenance and Operation Account — Operating Sub-Account	37
Section 506.	Maintenance and Operation Account — Operating Reserve Sub-Account	37
Section 507.	Debt Service Account	38
Section 508.	Debt Reserve Account	40
Section 509.	Junior Bond Accounts	41
Section 510.	Renewal and Replacement Account.....	41
Section 511.	Improvement Account	42
Section 512.	System Reserve Account.....	43
Section 513.	Subordinated Indebtedness	45
Section 514.	Credit Facilities in Lieu of Deposits Into the Debt Reserve Account	45
Section 515.	Funds, Accounts and Sub-Accounts Held by the Authority and the Treasurer	46
Section 516.	Creation of Additional Accounts and Sub-Accounts.....	46

ARTICLE VIDEPOSITARIES, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601.	Depositaries	46
Section 602.	Deposits	47
Section 603.	Investment of Certain Moneys	48
Section 604.	Valuation and Sale of Investments.....	48

ARTICLE VIIPARTICULAR COVENANTS AND REPRESENTATIONS OF THE AUTHORITY

Section 701.	Payment of Bonds.....	49
Section 702.	Extension of Payment of Bonds and Coupons	49
Section 703.	Offices for Servicing Bonds.....	50
Section 704.	Further Assurance	50
Section 705.	Power to Issue Bonds and Pledge Revenues and Other Funds.....	50
Section 706.	Power to Operate Tollway System and Collect Tolls and Fees.....	50
Section 707.	Indebtedness and Liens	51
Section 708.	Sale, Lease and Encumbrance of Property	51
Section 709.	Consulting and Traffic Engineers	52
Section 710.	Annual Budget.....	52
Section 711.	Limitations on Operating Expenses	54
Section 712.	Operation and Maintenance of Tollway.....	54
Section 713.	Tolls and Charges.....	54
Section 714.	Classification of Tolls; Free Passage.....	57
Section 715.	Maintenance of Insurance	57
Section 716.	Reconstruction; Application of Insurance Proceeds	59

Section 717.	Accounts and Reports.....	60
Section 718.	Progress Reports.....	62
Section 719.	Security for Construction Contracts.....	62
Section 720.	Arbitrage.....	63
Section 721.	Escrow Agreement.....	63

ARTICLE VIII REMEDIES OF BONDHOLDERS

Section 801.	Events of Default.....	63
Section 802.	Accounting and Examination of Records After Default.....	65
Section 803.	Application of Revenues and Other Moneys After Default.....	65
Section 804.	Proceedings Brought by Trustee.....	68
Section 805.	Restriction on Bondholders' Action.....	69
Section 806.	Remedies Not Exclusive.....	69
Section 807.	Effect of Waiver and Other Circumstances.....	69
Section 808.	Notices of Default and Insufficiency of Revenues.....	70

ARTICLE IX CONCERNING THE FIDUCIARIES

Section 901.	Trustee; Appointment and Acceptance of Duties.....	70
Section 902.	Paying Agents; Appointment and Acceptance of Duties.....	70
Section 903.	Registrar; Appointment and Acceptance of Duties.....	71
Section 904.	Responsibilities of Fiduciaries.....	71
Section 905.	Evidence on Which Fiduciaries May Act.....	71
Section 906.	Compensation.....	72
Section 907.	Certain Permitted Ads.....	72
Section 908.	Resignation of Trustee.....	72
Section 909.	Removal of Trustee.....	73
Section 910.	Appointment of Successor Trustee.....	73
Section 911.	Transfer of Rights and Property to Successor Trustee.....	74
Section 912.	Merger or Consolidation.....	74
Section 913.	Adoption of Authentication.....	74
Section 914.	Resignation or Removal of Paying Agent and Appointment of Successor.....	74
Section 915.	Resignation or Removal of Registrar and Appointment of Successor.....	75
Section 916.	Trustee Not Deemed To Have Notice of Default.....	75
Section 917.	Quarterly Report By Trustee and Depositories.....	75

ARTICLE X SUPPLEMENTAL INDENTURES

Section 1001.	Supplemental Indentures Not Requiring Consent of Bondholders.....	76
Section 1002.	Supplemental Indentures Effective Upon Consent of Bondholders.....	77
Section 1003.	Filing of Counsel's Opinion.....	77

ARTICLE XIAMENDMENTS

Section 1101.	Mailing and Publication.....	77
Section 1102.	Powers of Amendment	77
Section 1103.	Consent of Bondholders.....	79
Section 1104.	Modifications by Unanimous Action.....	82
Section 1105.	Exclusion of Bonds	82
Section 1106.	Notation on Bonds.....	82

ARTICLE XIIMISCELLANEOUS

Section 1201.	Defeasance.....	83
Section 1202.	Evidence of Signatures of Bondholders and Ownership of Bonds.....	85
Section 1203.	Moneys held for Particular Bonds and Coupons	86
Section 1204.	Preservation and Inspection of Documents.....	86
Section 1205.	Cancellation and Destruction of Bonds or Coupons.....	86
Section 1206.	Parties Interested Herein	87
Section 1207.	No Recourse on the Bonds.....	87
Section 1208.	Publication of Notice; Suspension of Publication	88
Section 1209.	Successors and Assigns.....	88
Section 1210.	Severability of Invalid Provisions	88
Section 1211.	Notices	88
Section 1212.	Construction.....	89
Section 1213.	Headings Not a Part of this Indenture.....	89
Section 1214.	Multiple Counterparts.....	89

EXHIBIT A - Form of 1985 Series Bonds 96

THIS TRUST INDENTURE dated as of December 1, 1985 (the "Indenture"), by and between The Illinois State Toll Highway Authority, an instrumentality and an administrative agency of the State of Illinois (hereinafter sometimes referred to as the "Authority"), and The First National Bank of Chicago, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with its principal corporate trust office located at One First National Plaza, Chicago, Illinois, as Trustee (hereinafter sometimes referred to as the "Trustee").

WITNESSETH:

WHEREAS, the Authority is an instrumentality and administrative agency of the State of Illinois, created and existing under the laws of the State of Illinois, particularly the Act (hereinafter defined); and

WHEREAS, pursuant to the Act the Authority is authorized to issue its revenue bonds for the purpose of refunding or advance refunding any of its outstanding revenue bonds and for any other lawful Authority purpose; and

WHEREAS, the Authority intends to issue and sell Additional Bonds (hereinafter defined) for the purpose of extending the Tollway System (hereinafter defined); and

WHEREAS, the Authority deems it to be in its best interest to make provision for the issuance of Additional Bonds for various improvements to the Tollway System; and

WHEREAS, in order to provide for the issuance of Additional Bonds for the purpose of extending the Tollway System, it is necessary to advance refund the 1955 Bonds (hereinafter defined); and

WHEREAS, pursuant to a resolution the Authority has duly authorized the issuance of its \$167,200,000 aggregate principal amount 1985 Series Bonds (hereinafter defined) for the purpose of advance refunding the 1955 Bonds, and has, with the Treasurer of the State of Illinois, appointed The First National Bank of Chicago to act as Trustee under this Indenture; and

WHEREAS, all things necessary to make the 1985 Series Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Authority according to the import thereof, and to constitute this Indenture a valid pledge of and grant of a lien on the Revenues (hereinafter defined) for the purpose of providing for the operation and maintenance of the Tollway System and to secure the payment of the principal of, premium, if any, and interest on the Bonds (hereinafter defined); and

WHEREAS, the execution and delivery of this Indenture, and the execution and issuance of the 1985 Series Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

In order to secure and provide for payment of the principal, redemption premium and interest on the Bonds, the Authority pledges and grants a lien to the Trustee on:

- (a) The Revenues;
- (b) All moneys and securities and earnings on them in all Funds, Accounts and Sub-Accounts established pursuant to this Indenture;
- (c) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Authority or on behalf of the Authority or by any other persons to be held by the Trustee under the terms of this Indenture;

all as and to the extent, and subject to the limitations, as provided in this Indenture, and also subject to the rights, if any, of the holders of the bonds issued under the 1955 Bond Resolution which remain from time to time undischarged to the extent that the amounts in the irrevocable trust fund established pursuant to the escrow agreement dated as of December 1, 1985, relating to those bonds should be insufficient to pay interest on, premium if any, and principal on those bonds when required to be paid pursuant to that resolution.

The Authority and the Trustee agree as set forth in this Indenture. This Indenture shall constitute a contract among the Authority, the Trustee, and the Holders from time to time of Bonds, all as and to the extent provided in this Indenture.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 101. Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings unless a different meaning clearly appears from the context:

"Accountant" means an independent certified public accountant or a firm of independent certified public accountants of recognized national standing (who may be the accountants who regularly audit the books of the Authority) who are selected and paid by the Authority and who shall not have been engaged by any person or entity other than the Authority to render accounting services with respect to the books and records of the Authority for the period or any portion thereof to be covered by the accounting services to be rendered on behalf of the Authority.

"Act" means the Toll Highway Act, 605 ILCS 10/1.1, et seq., as amended to the date of the 1996 Amendatory Supplemental Indenture.

"Additional Bonds" means Additional Senior Bonds issued pursuant to Section 204 and any Junior Bonds issued pursuant to the terms of Section 205.

"Additional Senior Bonds" means any Bond or Bonds originally issued in accordance with Section 204 after the effectiveness of the 1996 Amendatory Supplemental Indenture.

"Aggregate Debt Service" means, for any Fiscal Year and as of any date of calculation, the sum of the amounts of Debt Service for such Fiscal Year with respect to all Series of Senior Bonds.

"1996 Amendatory Supplemental Indenture" means the 1996 Amendatory Supplemental Indenture between the Authority and the Trustee.

"Annual Budget" means the annual budget of the Authority, as amended or supplemented, adopted or in effect for a particular Fiscal Year pursuant to Section 710.

"Authority" means The Illinois State Toll Highway Authority, an instrumentality and administrative agency of the State of Illinois, created and existing under the Act, and its successors.

"Authorized Newspaper" means a newspaper or financial journal customarily circulated at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, in the City and State of New York or in the City of Chicago, State of Illinois.

"Authorized Officer" means any director, officer or employee of the Authority authorized to perform specific acts or duties by a resolution duly adopted by the Authority.

"Bond" or "Bonds" means any bond or bonds, including Senior Bonds and Junior Bonds, authenticated and delivered under and pursuant to this Indenture, other than Subordinated Indebtedness.

"Bondholder" or "Holder" means any person who shall be the bearer of any coupon Bond or Bonds or the registered owner of any registered Bond or Bonds without coupons.

"Business Day" means any day which is not a Sunday or a legal holiday or a day (including Saturday) on which banking institutions in the city where the principal corporate trust office of any Fiduciary is located are authorized by law or executive order to close (and such Fiduciary is in fact closed).

"Capital Appreciation Bond" means a Bond accruing interest that is compounded and added to principal as of such date or dates specified in the related Supplemental Indenture and is payable at maturity. Any Capital Appreciation Bond may mature on any date specified in the related Supplemental Indenture.

"Code and Regulations" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated or proposed pursuant to it in effect from time to time.

"Construction Fund" means the Construction Fund established in Section 503.

"Consulting Engineers" means an engineer or engineering firm or corporation at the time retained by the Authority pursuant to Section 709 to perform the acts and carry out the duties provided for such Consulting Engineers in this Indenture.

"Cost of Construction" means with respect to any Project the cost of construction, acquisition, installation, reconstruction, modification, preservation, replacement, repairs, renewals or enhancement, including without limitation, bridges over or under existing highways and railroads, the cost of acquisition of all land, rights of way, property, rights, easements and interests, acquired by the Authority for such construction, acquisition, installation, reconstruction, modification, preservation, replacement, repairs, renewals or enhancement, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of diverting highways, interchange of highways, access to roads to private property, including the cost of lands or easements, the cost of all machinery and equipment, financing charges, interest prior to and during work or construction and for up to two years after completion of the work or construction, the cost of traffic estimates and of engineering and legal expenses, plans, specifications, surveys, estimates of cost and revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing any Project, administrative expenses and such other costs, expenses and funding as may be necessary or incident to the Project, the financing of such construction or work and the placing of such Project in operation.

"Costs of Credit Enhancement" means any fees of, or termination payments to, any Provider of Credit Enhancement.

"Costs of Hedge Agreement" means any fees of, or termination payments to, any Provider of a Hedge Agreement.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Authority.

"Credit Enhancement" means any arrangement to provide additional security or liquidity for Bonds including, without limitation, surety bonds, bond insurance, letters of credit, lines of credit and purchase and remarketing agreements, but does not include Reserve Account Credit Facilities.

"Current Funds" means moneys which are immediately available in the hands of the payee at the place of payment.

"Debt Reserve Account" means the Debt Reserve Account established in Section 502.

"Debt Reserve Requirement" means, as of any date of calculation, the maximum annual Aggregate Debt Service for any Fiscal Year for all Senior Bonds.

"Debt Service" means, for any period longer than one month, as of any date of calculation, an amount equal to the sum of Principal Installments and interest on Senior Bonds payable (or for the payment for which amounts are required to be deposited in the Debt Service Account) during such period, except to the extent

that such interest is to be paid from Bond proceeds deposited to the credit of the Debt Service Account. Interest and Principal Installment amounts payable shall be calculated, for purposes of this definition, on the assumption that Senior Bonds Outstanding at the date of calculation will cease to be Outstanding by reason, but only by reason, of the payment of each Principal Installment on its due date. Interest and Principal Installments payable on January 1 of any Fiscal Year shall be deemed to be payable on December 31 of the preceding year. For purposes of applying this definition under Section 713 and for purposes of determining the Debt Reserve Requirement, the amount of interest to be payable on Senior Bonds having variable interest rates, shall be computed by assuming, with respect to Senior Bonds interest on which is excludable from gross income of the Holders for federal income tax purposes, is a rate equal to the lesser of (i) the 30 Year Bond Buyer Revenue Bond Index as of the date of calculation, or (ii) the maximum interest rate on such Senior Bonds, and with respect to any Senior Bonds having a variable interest rate the interest on which is not excludable from "gross income" of the Holders for federal income tax purposes, a rate equal to the lesser of (i) one-hundred fifteen percent (115%) of the 30 Year Bond Buyer Revenue Bond Index as of the date of calculation, or (ii) the maximum interest rate on such Senior Bonds, including in each case any taking into account any Qualified Hedge Agreement as provided in Section 103. For purposes of the Debt Reserve Requirement this calculation shall be made as of a date selected by the Authority within thirty days preceding the date of issuance of each Series of Bonds for which such calculation is required. However, the rate for any such Series of Senior Bonds for which the variable interest rate is fixed for any portion of the applicable Fiscal Year shall be assumed to be the actual rate borne by such Senior Bonds. For purposes of applying this definition under clause (5) of subsection 1 of Section 204, the amount of interest to be payable on Senior Bonds having variable interest rates shall be computed at the maximum rate or amount for those Bonds, taking into account any Qualified Hedge Agreement. If a Series of Senior Bonds having variable interest rates is subject to purchase by the Authority pursuant to a mandatory or optional tender by the Holder, the "tender" date or dates shall be ignored and the stated Principal Installment dates of such Senior Bonds shall be used for purposes of calculating the Debt Service with respect to such Senior Bonds. If two Series of Senior Bonds having variable interest rates are issued simultaneously with inverse variable interest rates providing a composite fixed interest rate for such Senior Bonds taken at any time as a whole, such composite fixed rate shall be used in determining the Debt Service with respect to such Senior Bonds. Debt Service on Senior Bonds with respect to which there is a Qualified Hedge Agreement shall be calculated consistent with Section 103 of this Indenture. Debt Service shall include Costs of Credit Enhancement, Costs of Hedge Agreement and reimbursements to Providers of Credit Enhancement and Qualified Hedge Agreements, in each case to be paid as provided in a Supplemental Indenture from the Debt Service Account.

"Debt Service Account" means the Debt Service Account established in Section 502.

"Depository" means any bank, national banking association or trust company having capital stock, surplus and retained earnings aggregating at least \$8,000,000, or a savings or savings and loan institution having assets aggregating at least \$65,000,000, selected by the Treasurer (and with respect to Funds, Accounts and Sub-Accounts held by the Trustee, with the consent of the Treasurer, which consent shall not be unreasonably withheld) as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

"Escrow Agent" means with respect to any Bonds refunded under this Indenture, any trust company or Bank in the State of Illinois appointed by the Authority for such purpose in accordance with the Act.

"Event of Default" means any event so designated and specified in Section 801.

"Federal Securities" means (i) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America; (ii) any Municipal Bonds which are fully secured as to principal and interest by an irrevocable pledge of moneys or direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Municipal Bonds; (iii) certificates of ownership of the principal of or interest on direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System; and (iv) interest obligations of the Resolution Funding Corporation, including, without limitation, interest obligations stripped by the Federal Reserve Bank of New York.

"Fiduciary" or "Fiduciaries" means the Trustee, the Registrar and the Paying Agents, or any or all of them, as may be appropriate.

"Fiscal Year" means the period January 1 through December 31 of the same year.

"Hedge Agreement" means a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes in interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including without limitation, interest rate floors, or caps, options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to any Series of Senior Bonds.

"Improvement" means any System Expansion Project or any acquisition, installation, construction, reconstruction, modification or enhancement of or to any real or personal property (other than Operating Expenses) for which a currently effective resolution of the Authority has been adopted authorizing the deposit of Revenues to the credit of the Improvement Account for such System Expansion Project or acquisition, installation, construction, reconstruction, modification or enhancement including, without limitation, the cost of related feasibility studies, plans, designs or other related expenditures.

"Improvement Account" means the Improvement Account established in Section 502.

"Improvement Requirement" means the aggregate of the amounts established by currently effective resolutions of the Authority for specified Improvements, based upon a certificate or certificates of the Consulting Engineers with respect to the estimated cost of such Improvements filed with the Authority from time to time, less the amounts previously withdrawn or transferred from the Improvement Account to pay the costs of any such Improvements.

"Indenture" means this Trust Indenture dated as of December 1, 1985, by and between the Authority and the Trustee, as from time to time amended and supplemented.

"Interest Sub-Account" means the sub-account of that name in the Debt Service Account established in Section 502.

"Investment Securities" means any of the following securities authorized by law as permitted investments of Authority funds at the time of their purchase:

(i) Federal Securities;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Government National Mortgage Association, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Export-Import Bank, Federal Financing Bank and Student Loan Marketing Association;

(iii) Investments in a money market fund registered under the Investment Company Act of 1940, as amended (including any such money market fund sponsored by or affiliated with any Fiduciary), comprised of any of the investments set forth in subparagraph (i) or subparagraph (ii) above;

(iv) Negotiable or non-negotiable certificates of deposit or time deposits or other banking arrangements issued by any bank, trust company or national banking association (including any Fiduciary), which certificates of deposit or time deposits or other banking arrangements shall be continuously secured or collateralized by obligations described in subparagraphs (i), (ii) or (iii) of this definition, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit or time deposits or other banking arrangements and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit or time deposits or other banking arrangements, which certificates of deposit or time deposits or other banking arrangements acquired or entered into pursuant to this subparagraph (iv) shall be deemed for purposes of this Indenture, including without limitation Section 603, to constitute investments and not deposits;

(v) With respect to moneys on deposit to the credit of the Debt Service Account, the Debt Reserve Account and the Construction Fund and its separate, segregated accounts (to the extent that the Construction Fund and such separate, segregated accounts are held by the Trustee) (except the Construction Fund revolving accounts), repurchase agreements with any bank, trust company or national banking association (including any Fiduciary) or government bond dealer reporting to the Federal Reserve Bank of New York continuously secured or collateralized by obligations described in subparagraph (i) of this definition, which

obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amortized value of such repurchase agreements, provided such security or collateral is lodged with and held by the Trustee or the Authority as titleholder, as the case may be;

(vi) With respect to moneys on deposit to the credit of all Funds, Accounts and Sub-Accounts (except the Debt Service Account, the Debt Reserve Account, and the Construction Fund to the extent the Construction Fund is held by the Trustee, the separate, segregated accounts of the Construction Fund to the extent such accounts are held by the Trustee and the revolving accounts of the Construction Fund), repurchase agreements with any bank, trust company or national banking association (including any Fiduciary) or government bond dealer reporting to the Federal Reserve Bank of New York continuously and fully secured for the benefit of the Authority and the Holders of the Bonds as provided by applicable state law with respect to the investment of public funds;

(vii) Public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; and project notes issued by public housing authorities or by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(viii) Any Municipal Bond which has a rating by each rating agency from which the Authority has obtained Ratings for its Senior Bonds, which is not lower than the Rating provided by the respective rating agency for Senior Bonds; and

(ix) Any other investment securities as to which the Authority has received written advice from each rating agency which has a Rating for any Senior Bonds that investment in such securities will not result in a reduction of the Rating by the rating agency.

Investment Securities purchased after the date of issuance of the 1992 Series A Bonds shall be rated not lower than "BBB-" by Standard & Poor's Corporation, and "Baa" by Moody's Investors Service, or, in the case of Investment Securities described in subparagraph (iii), subparagraph (iv), subparagraph (v) or subparagraph (vi) of this definition, shall be secured or collateralized by Investment Securities rated not lower than "BBB" by Standard & Poor's Corporation and "Baa" by Moody's Investors Service.

"Junior Bond Debt Reserve Account or Accounts" means any Junior Bond Debt Reserve Account or Accounts established in Supplemental Indentures authorizing the issuance of Junior Bonds.

"Junior Bond Debt Service Account or Accounts" means any Junior Bond Debt Service Account or Accounts established in Supplemental Indentures authorizing the issuance of Junior Bonds.

"Junior Bonds Revenue Requirement" means for any Fiscal Year the amount required to be deposited from the Revenue Fund to any Junior Bond Debt Service Account and any Junior Bond Debt

Reserve Account. For purposes of clause (5) of subsection (1) of Section 204 and of Section 713, the Junior Bond Revenue Requirement shall be the amount projected to be so required under the Supplemental Indentures authorizing the Junior Bonds, and taking into account, without limitation, (i) the expectations of the Authority as to the receipts, other than Revenues, which pursuant to the Supplemental Indentures authorizing Junior Bonds, will be applied to make such deposits to pay Principal Installments or interest, Costs of Credit Enhancement or Costs of Hedge Agreements and reimbursement to Providers of Credit Enhancement and Hedge Agreements on Junior Bonds to be paid from such Accounts; (ii) the expectations of the Authority as to future refinancings of Junior Bonds which were issued as provided in the Supplemental Indenture authorizing such Junior Bonds with the expectation of refinancing; and (iii) interest payable on Junior Bonds with variable interest rates as provided in the Supplemental Indenture authorizing such Junior Bonds.

“Junior Bonds” means all Bonds authenticated and delivered pursuant to Section 205 of this Indenture.

“Maintenance and Operation Account” means the Maintenance and Operation Account established in Section 502.

“Managing Underwriters” means the person or persons, firms or corporations designated in writing filed with the Authority and the Trustee by the person or persons, firms or corporations which shall purchase from the Authority any of the Bonds issued under the provisions of this Indenture and the successor or successors of such person or persons, firms or corporations as are defined in such writing.

“Municipal Bonds” means any obligations of any State, public corporation, authority, political subdivision, unit of local government or municipality of any State.

“Net Revenue Requirement” means, with respect to any period of time, an amount necessary to cure deficiencies, if any, in the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account plus the greater of (i) the sum of Aggregate Debt Service, the Junior Bond Revenue Requirement and the Renewal and Replacement Deposit for such period or (ii) 1.3 times the Aggregate Debt Service for such period.

“Net Revenues” means, for any Fiscal Year or other period of time, the Revenues, excluding amounts transferred during such Fiscal Year or period (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.

“1985 Series Bonds” means the Toll Highway Refunding Revenue Bonds, 1985 Series authorized by Section 203.

“1986 Bonds” means the Authority’s Toll Highway Priority Revenue Bonds, 1986 Series.

“1987 Bonds” means the Authority’s Toll Highway Refunding Revenue Bonds, 1987 Series.

"1992 Bonds" means the Authority's Toll Highway Priority Revenue Bonds, 1992 Series A.

"1993 Bonds" means the Authority's Toll Highway Refunding Revenue Bonds, 1993 Series A and 1993 Series B.

"Operating Expenses" means the Authority's expenses in the normal course of business for operation, maintenance and repairs of the Tollway System or any part of it and replacement and acquisition of equipment (other than expenses which under generally accepted accounting principles are capitalized and for which amounts (other than amounts held in the Maintenance and Operation Account) are set aside or otherwise available), including, without limitation, all policing, administrative and engineering expenses, legal and financial advisory expenses, fees and expenses of the fiduciaries, payments to pension, retirement, health and hospitalization funds, insurance premiums, rentals under leases of property not constituting Projects and any other expenses or obligations required to be paid by the Authority under the provisions of this Indenture or by law, all to the extent properly and directly attributable to the operation of the Tollway System, but not including any costs or expenses of any Project, allowance for depreciation, payments on any Outstanding Bonds, Subordinated Indebtedness or money borrowed for purposes other than Operating Expenses, or any reserves for those purposes.

"Operating Reserve Sub-Account" means the sub-account of that name in the Maintenance and Operation Account established in Section 502.

"Operating Sub-Account" means the sub-account of that name in the Maintenance and Operation Account established in Section 502.

"Outstanding," when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

- (i) Any Bonds canceled by the Trustee at or prior to such date;
- (ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;
- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 406 or 1106; and
- (iv) Bonds deemed to have been paid as provided in subsection 2 of Section 1201.

"Paying Agent" means any bank, national banking association or trust company designated by the Authority as paying agent for the Bonds of any Series, and any successor or successors appointed by the Authority under this Indenture.

The term "principal" when used in connection with a Capital Appreciation Bond shall mean the initial principal amount of such Bond as of its date of issuance plus interest accreted thereon to the date of calculation, which in the aggregate shall constitute the maturity amount of such Capital Appreciation Bond as of the date of maturity thereof.

"Principal Installment" means, as of any particular date of calculation and with respect to any particular future date and with respect to Bonds of a particular Series, (a) the principal amount of Outstanding Bonds of said Series which are stated to mature on such future date, reduced by the aggregate principal amount of such Outstanding Bonds which would before said future date cease to be Outstanding by reason, but only by reason, of the payment when due, and application in accordance with this Indenture, of Sinking Fund Installments payable before said future date toward the retirement of such Outstanding Bonds, and (b) the amount of any Sinking Fund Installment payable on said future date toward the retirement of any Outstanding Bonds of said Series.

"Principal Sub-Account" means the sub-account of that name in the Debt Service Account established in Section 502.

"Priority Bonds" means all Bonds designated as Priority Bonds.

"Project" means any Improvement or Renewal and Replacement.

"Provider" means any person or entity providing Credit Enhancement, a Reserve Account Credit Facility or a Qualified Hedge Agreement with respect to any one or more Series of Senior Bonds, pursuant to agreement with or upon the request of the Authority.

"Provider Payment Sub-Account" means the sub-account of that name in the Debt Service Account established in Section 502.

"Qualified Hedge Agreement" means a Hedge Agreement which meets the tests of subsection 1 of Section 103.

"Rating" means a rating given Senior Bonds by a nationally-recognized rating agency upon the request or application of the Authority, and where the rating of any Senior Bonds based upon bond insurance or similar credit enhancement, it means the rating which those Senior Bonds would have without that bond insurance or credit enhancement.

"Record Date" means with respect to the 1985 Series Bonds, the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each interest payment date and, with respect to any other Series of Bonds, such other day as may be determined in the applicable Supplemental Indenture.

"Redemption Price" means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon the date fixed for redemption.

"Redemption Sub-Account" means the sub-account of that name in the Debt Service Account established in Section 502.

"Refunding Bonds" means all Bonds designated as Refunding Bonds.

"Registrar" means any bank, national banking association or trust company appointed by the Authority under this Indenture and designated as registrar for the Bonds of any Series, and its successor or successors.

"Renewal and Replacement" means preservation, replacement, repairs, renewals and reconstruction or modification of the Tollway System or any part of it constituting real or personal property, whether leased or purchased, but does not include System Expansion Projects.

"Renewal and Replacement Deposit or Deposits" means, with respect to any period, any amount budgeted for deposit to or projected for deposit to the Renewal and Replacement Account for Renewal and Replacement Expenses, other than such budgeted or projected amounts which the Authority has determined will be available for Renewal and Replacement Expenses from the System Reserve Fund, the Improvement Fund or from the proceeds of authorized borrowings or from installment purchases or leases.

"Renewal and Replacement Expense or Expenses" means the cost of any Renewal and Replacement.

"Reserve Account Credit Facility" means a surety bond, an insurance policy, a letter of credit or other credit facility with respect to any Series of Senior Bonds which meets the requirements of Section 514.

"Revenue Fund" means the Revenue Fund established in Section 502.

"Revenues" means (i) all tolls, fees, charges, rents, and other income and receipts derived from the operation of the Tollway System, (ii) the proceeds of any use and occupancy insurance relating to the Tollway System and of any other insurance which insures against loss of revenues, (iii) investment income from any moneys or securities held in Funds, Accounts or Sub-Accounts established under this Indenture, other than the Construction Fund and (iv) amounts transferred from the Construction Fund to the Revenue Fund and transfers to the Trustee by the Authority from the System Reserve Account pursuant to subsection 1 of Section 512. Revenues excludes Federal and State grants and appropriations, loan proceeds, gifts or donations of any kind, transfers, if any, to the Authority as permitted under any Escrow Agreement and receipts not related to the Authority's performance of its obligations under this Indenture or to the operations of the Tollway System.

"Senior Bonds" means the Authority's Outstanding Priority Bonds, the Authority's Outstanding Refunding Bonds and all Additional Senior Bonds issued in accordance with Section 205 of this Indenture.

"Series" means all of the Bonds designated as a series and authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 406 or 1106.

"Sinking Fund Installment" means each principal amount of Senior Bonds scheduled to be retired through the application of moneys on deposit in the Redemption Sub-Account established pursuant to clause (3)(h) of subsection 1, Section 202.

"Special Treasury Obligations" means United States Treasury Certificates of Indebtedness, Notes and Bonds - State and Local Government Series.

"Subordinated Indebtedness" means any evidence of indebtedness permitted to be issued by Section 513.

"Supplemental Indenture" means any Supplemental Indenture of the Authority authorized pursuant to Article X.

"System Expansion Project" means any acquisition, improvement, betterment, enlargement or capital addition which extends the Tollway System.

"System Reserve Account" means the System Reserve Account established in Section 502.

"Tollway System" means, collectively, (i) the toll highways operated and maintained by the Authority as of December 1, 1985, (ii) any Projects and (iii) all properties, equipment and facilities to the extent used in connection with the operation and maintenance of the facilities listed in clause (i) or (ii) of this definition.

"Traffic Engineers" means an engineer or engineering firm or corporation at the time retained by the Authority pursuant to Section 709 to perform the acts and carry out the duties provided for such Traffic Engineers in this Indenture.

"Treasurer" means the Treasurer of the State of Illinois and *ex officio* custodian of the "Illinois State Toll Highway Authority Fund", a special fund created under the Act, of which all Funds, Accounts and Sub-Accounts created under this Indenture, including the Revenue Fund and the Construction Fund, are a part.

"Trustee" means The First National Bank of Chicago and any successor or successors appointed under this Indenture as hereinafter provided.

Section 102. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include the correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "Bond", "coupon", "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.

As used herein, the terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms refer to this Indenture.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Indenture as originally executed.

Section 103. Hedging Transactions.

1. A Hedge Agreement is a Qualified Hedge Agreement if (a) the Provider of the Hedge Agreement is rated "A" or better by Standard & Poor's Rating Group and (b) the Authority has given each rating agency then rating any of the Senior Bonds (whether or not such rating agency also rates the unsecured obligations of the Provider of the Hedge Agreement or the Provider's guarantor) at least fifteen (15) days' notice in writing of its intention to enter into the Hedge Agreement (unless such notice period is waived by such rating agency) and has received from such rating agency its written advice that the entering into of the Hedge Agreement by the Authority will not in and of itself cause a reduction or withdrawal by such rating agency of its Rating on any Senior Bonds. Such written advice shall constitute a waiver by that rating agency of the notice requirement of this subsection 1.

2. If the Authority shall enter into any Qualified Hedge Agreement with respect to any Senior Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into to provide substitute amounts or limits of the interest due with respect to those Senior Bonds, then during the term of the Qualified Hedge Agreement and so long as the Provider of the Qualified Hedge Agreement is not in default:

(a) for purposes of any calculation of Debt Service, the interest rate on the Senior Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Senior Bonds had interest payments equal to the interest payable on those Senior Bonds less any payments to the Authority from the Provider and plus any payments by the Authority to the Provider as provided by the Qualified Hedge Agreement (other than fees or termination payments of such Provider for providing the Qualified Hedge Agreement);

(b) any such payments (other than fees and termination payments) required to be made by the Authority to the Provider pursuant to such Qualified Hedge Agreement may be made from amounts on deposit to the credit of the Interest Sub-Account; and

(c) any such payments received by the Authority from the Provider pursuant to such Qualified Hedge Agreement shall be deposited to the credit of the Interest Sub-Account.

3. If the Authority shall enter into a Hedge Agreement that is not a Qualified Hedge Agreement, then:

(a) the interest rate adjustments or assumptions referred to in clause (a) of subsection 2 shall not be made;

(b) any payments required to be made by the Authority to the Provider pursuant to such Hedge Agreement shall be made only from amounts on deposit to the credit of the System Reserve Account; and

(c) any payments received by the Authority from the Provider pursuant to such Hedge Agreement shall be treated as Revenues and shall be deposited to the credit of the Revenue Fund.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authorization of Bonds.

1. The Authority shall not issue any Bonds while this Indenture is in effect except in accordance with the provisions of this Article II. All Priority Bonds and Refunding Bonds issued under this Indenture prior to the effectiveness of the amendments set forth in Section 2.1 of the 1996 Amendatory Supplemental Indenture were designated "Toll Highway Priority Revenue Bonds" or "Toll Highway Refunding Revenue Bonds," as provided in the Supplemental Indenture which authorized their issuance. All Senior Bonds issued after the effectiveness of the amendments set forth in Section 2.1 of the 1996 Amendatory Supplemental Indenture and prior to the effectiveness of the amendments set forth in Section 3.1 of the 1996 Amendatory Supplemental Indenture shall be designated "Toll Highway Senior Priority Revenue Bonds" or "Toll Highway Senior Refunding Revenue Bonds," and shall include such further appropriate designations as the Authority may determine. The designation of Priority or Refunding need not be set forth in the form of such a Bond. After the effectiveness of the amendments made by Section 3.1 of the 1996 Amendatory Supplemental Indenture all such Senior Bonds shall be designated "Toll Highway Senior Revenue Bonds." All Junior Bonds issued pursuant to the terms of this Indenture shall be designated as provided in the applicable Supplemental Indenture authorizing the issuance of such Junior Bonds.

2. Bonds may be issued in one or more Series of Bonds. Each Bond shall bear upon its face the designation for its Series. Any two or more Series may be consolidated for purposes of sale in such manner as may be provided by the Supplemental Indenture authorizing their issuance.

Section 202. General Provisions for Issuance of Bonds.

1. Bonds of each Series shall be executed by the Authority and delivered to the Trustee and authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee, at or prior to such authentication, of:

(1) A Counsel's Opinion to the effect that (i) the Authority has the right and power under the Act, as amended to the date of the Opinion, to authorize the execution and delivery of this Indenture or the Supplemental Indenture, if any, as the case may be, authorizing such Bonds, and this Indenture or such Supplemental Indenture, if any, as the case may be, has been duly and lawfully authorized, executed and delivered by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms; (ii) this Indenture or the Supplemental Indenture, if any, as the case may be, providing for the issuance of the Series of Bonds creates the valid pledge and lien which it purports to create on and in the Revenues, moneys, securities and funds held or set aside under this Indenture or such Supplemental Indenture, if any, as the case may be; (iii) the Bonds of such Series are valid and binding obligations of the Authority as provided in this Indenture or the Supplemental Indenture, if any, as the case may be, providing for their issuance, enforceable in accordance with its terms and the terms of this Indenture or such Supplemental Indenture, if any, as the case may be, and entitled to the benefits of this Indenture or such Supplemental Indenture, if any, as the case may be, and the Act, and (iv) such Bonds have been duly and validly authorized and issued in accordance with the Act and this Indenture or such Supplemental Indenture, if any, as the case may be;

(2) A written order as to the delivery of such Bonds signed by an Authorized Officer, which order shall direct, among other things, the application of the proceeds of such Bonds;

(3) A copy of the Supplemental Indenture and the resolution authorizing the Series of Bonds, so certified, which shall specify:

(a) The authorized principal amount, designation and Series of such Bonds;

(b) The purposes for which such Series of Bonds is being issued;

(c) The date, and the maturity date or dates, of the Bonds of such Series which may be any dates as the Supplemental Indenture may provide;

(d) The interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, and the interest payment dates (which may be any dates as the Supplemental Indenture may provide) and any Record Date;

(e) The denominations and the manner of dating, numbering and lettering of the Bonds of such Series;

(f) The Registrar and the Paying Agent or Paying Agents for the Bonds of such Series;

(g) The Redemption Price or Prices, if any, and any redemption dates and terms for the Bonds of such Series not determined herein; and

(h) The amount and date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that the aggregate of such Sinking Fund Installments shall equal the aggregate principal amount of all such Bonds less the principal amount scheduled to be retired at maturity.

(4) The amount, if any, necessary for deposit in the Debt Reserve Account so that the amount in the Debt Reserve Account equals the Debt Reserve Requirement calculated immediately upon such authentication and delivery;

(5) Except in the case of Bonds issued to refund Outstanding Bonds, a certificate of an Authorized Officer stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements, or provisions contained in this Indenture; and

(6) Such further documents, moneys and securities as are required by the provisions of this Indenture or any Supplemental Indenture.

2. Bonds of the same Series and maturity shall be of like tenor except as to denomination and form. After the original issuance of Bonds of a Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Section 406 or Section 1106.

3. A Supplemental Indenture may authorize Bonds of a Series to be issued in book-entry form and may provide that consents, directions and other actions by the Holder of such Bonds may be made by a registered owner which is the nominee of a book-entry depository on behalf of all or any specified portions of Bonds so held.

Section 203. 1985 Series Bonds.

1. A Series of Bonds entitled to the benefit, protection and security of this Indenture is hereby authorized in the aggregate principal amount of \$167,200,000, for the purpose of raising moneys to advance refund the 1985 Bonds, to pay costs of issuance in connection with the issuance of the 1985 Series Bonds and to provide for the funding of the Debt Reserve Account. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series, by the title "Toll Highway Refunding Revenue Bonds, 1985 Series."

2. The 1985 Series Bonds shall be in registered form and shall be initially dated December 1, 1985 and thereafter shall be dated in accordance with the provisions of Section 301 hereof. All 1985 Series Bonds shall bear interest payable on July 1, 1986 and semiannually thereafter on January 1 and July 1 in each year.

3. The 1985 Series Bonds shall mature on January 1 of each of the years and in the principal amounts and shall bear interest at the respective rates per annum set forth in the table below:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate Per Annum</u>
1987	\$ 2,760,000	6.10%
1988	2,925,000	6.60
1989	3,120,000	7.10
1990	3,340,000	7.30
1991	3,585,000	7.50
1992	3,855,000	7.70
1993	4,150,000	7.90
1994	4,480,000	8.00
1995	4,835,000	8.15
1996	5,230,000	8.30
1997	5,665,000	8.40
1998	6,140,000	8.55
1999	6,665,000	8.65
2000	7,245,000	8.75
2005	47,255,000	9.125
2009	55,950,000	9.25

4. The 1985 Series Bonds shall be in denominations of \$5,000 or any integral multiples of \$5,000 (but no single 1985 Series Bond shall represent principal maturing on more than one date) and shall be numbered consecutively but need not be authenticated or delivered in consecutive order. The 1985 Series Bonds and the Trustee's Certificate of Authentication shall be in substantially the form set forth in Exhibit A attached hereto and by reference made a part hereof with such variations, omissions or insertions as are required or permitted by this Indenture.

5. The principal and Redemption Price of the 1985 Series Bonds shall be payable at the designated corporate trust offices of the Trustee, in the City of Chicago, Illinois, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents appointed pursuant to this Indenture for the 1985 Series Bonds. Interest on the 1985 Series Bonds shall be payable by check or bank draft mailed or delivered by the Trustee to the registered owners as the same appear on the registry books of the Authority maintained by the Registrar as of the Record Date.

Section 204. Additional Senior Bonds.

1. One or more Series of Additional Senior Bonds may be authorized and delivered for any of the following purposes: (a) paying the Costs of Construction of any Project; (b) refunding or prepaying, including at or prior to maturity (i) any Senior Bonds or (ii) any other obligations of the Authority issued or entered into for purposes for which Senior Bonds may be issued, including paying related costs of issuance, costs of redemption of refunded bonds, capitalized interest, Costs of Credit Enhancement or Costs of Hedge Agreements; (c) making deposits to the Debt Reserve Account or acquiring a Reserve Account Credit Facility; (d) paying interest on any Bond; (e) paying any costs of issuing Senior Bonds; or (f) paying Costs of Credit Enhancement or Costs of Qualified Hedge Agreements for the Additional Senior Bonds. The Additional Senior Bonds shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents, securities and moneys required by Section 202) of the following:

(1) A certificate of an Authorized Officer demonstrating that the Net Revenues as reflected in the books of the Authority for a period of 12 consecutive calendar months out of the 18 calendar months next preceding the authentication and delivery of the Additional Senior Bonds exceeded the Net Revenue Requirement for that 12-month period; provided that if any adjustment of toll rates shall have been placed in effect during that 12-month period, Net Revenues shall reflect the Revenues which the Traffic Engineers estimate in their certificate delivered pursuant to clause (3) of this subsection would have resulted had such toll rate adjustment been in effect for the entire 12-month period;

(2) A certificate of the Traffic Engineers stating whether, to the best of their knowledge, any Federal, State or other agency has begun, or is then projecting or planning, the construction, improvement or acquisition of any highway or other facility which, in the opinion of the Traffic Engineers, may be materially competitive with any part of the Tollway System, and the estimated date of completion of such construction, improvement or acquisition;

(3) A certificate of the Traffic Engineers setting forth estimates of toll receipts for the then current and each future Fiscal Year to and including the fifth full Fiscal Year after the estimated date when the Projects being financed by such Additional Senior Bonds will be placed in service, and in any case, to and including the fifth full Fiscal Year after the date of issuance of such Additional Senior Bonds. The estimates shall give effect to (i) the completion as estimated of any Project not yet completed, (ii) the assumption that any competitive highway or other facility referred to in their certificate delivered pursuant to clause (2) of this subsection will be completed on the date so estimated as provided in clause (2) and will subsequently be in operation during the period covered by such estimates, (iii) any adjustment of toll rates which shall have been placed in effect subsequent to the beginning of the 12-month period referred to in the certificate of an Authorized Officer delivered pursuant to clause (1) of this subsection, as if such toll rate adjustment had been in effect from the beginning of the period covered by such estimate until the effective date of any subsequent adjustment presumed necessary and (iv) any adjustment of toll rates which, in the opinion of the Traffic Engineers, would be necessary to comply with the provisions of Section 713, as if such adjustment were to be in effect from its effective date to the effective date of any other such adjustment;

(4) A certificate of the Consulting Engineers setting forth (i) for the years and on the assumptions specified in the certificate of the Traffic Engineers delivered pursuant to clause (3) of this subsection, estimates of the Operating Expenses and Renewal and Replacement Deposits, giving effect to the completion of any Project not yet completed on the date estimated by the Consulting Engineers, (ii) the estimated total Cost of Construction of each Project for which the Additional Senior Bonds are to be issued, and (iii) the estimated date of completion of each such Project;

(5) A certificate of an Authorized Officer setting forth the estimated Net Revenues (based on the certificates delivered pursuant to clauses (3) and (4) of this subsection) for the current and each future Fiscal Year through the fifth full Fiscal Year after the estimated date when each Project for which Additional Senior Bonds are being issued will be placed into service, and in any case, to and including the fifth full Fiscal Year after the date of issuance of such Additional Senior Bonds, and stating that (i) such estimated Net Revenues for each such Fiscal Year equal or exceed the estimated Net Revenue Requirement for such Fiscal Year, and (ii) except as provided in clause (6) below, if the Additional Senior Bonds are being issued to pay Costs of Construction of a Project, that the amount of proceeds of the proposed Additional Senior Bonds, which may be issued in one or more Series, together with any other funds then available or expected to be available, will be sufficient to pay the remainder of the Cost of Construction of such Project as scheduled.

(6) In the case of any Additional Senior Bonds issued to pay Costs of Construction of any Project which is to be only partially funded by the issuance of that Series of Additional Senior Bonds, with the balance of the Project to be funded by the issuance of one or more subsequent Series of Additional Senior Bonds, the test set forth in sub-clause (ii) of clause (5) may be satisfied at the outset on the basis of the aggregate of all Series of Additional Senior Bonds to be issued to finance the Project. In that event, the Authority need not satisfy the test set forth in sub-clause (ii) of clause (5) at the time any such Series of Additional Senior Bonds for the Project is to be issued.

(7) In the case of any Series of Additional Senior Bonds issued for paying of costs to complete any Project for which Senior Bonds have previously been issued then the requirement of clauses (1) through (6) of this subsection need not be met if there is received by the Trustee a Certificate of the Consulting Engineers stating (i) the purpose for which the Additional Senior Bonds are to be issued, which shall be to complete a Project for which Senior Bonds have been issued, without any material change in scope (ii) that the amount of available proceeds of the Additional Senior Bonds, together with other funds of the Authority then available or expected to be available for completing the Project, including proceeds of one or more Series of Additional Bonds to be issued for that purpose, will be sufficient, in their opinion, to pay the cost of completion of the Project and (iii) that the amount of proceeds of such Additional Senior Bonds available for completing the Project will not exceed ten percent (10%) of the total estimated Costs of Construction as provided in the Certificate of the Consulting Engineers provided for the Additional Senior Bonds previously issued with respect to that Project.

(8) In the case of any Series of Additional Senior Bonds issued for purposes of refunding Outstanding Senior Bonds (including paying related Costs of Issuance, deposits to the Debt

Reserve Account, capitalized interest or Costs of Credit Enhancement or Costs of Qualified Hedge Agreements for the Additional Senior Bonds) the requirements of clauses (1) through (6) of this subsection need not be met if there is received by the Trustee (i) a Counsel's Opinion that upon issuance of the Additional Senior Bonds and application of their proceeds as provided in the authorizing Supplemental Indenture, provision for payment of the refunded Senior Bonds will have been made in accordance with Section 1201; and (ii) the certificate of an Authorized Officer demonstrating (A) for each Fiscal Year in which any Senior Bonds (other than the Additional Senior Bonds to be issued) will be Outstanding after the refunding, that the Debt Service for the Additional Senior Bonds to be issued will not be greater than one hundred five percent (105%) of the Debt Service for the Senior Bonds to be refunded and (B) that the aggregate Principal Installments and interest payable in all those Fiscal Years on the Additional Senior Bonds to be issued is less than the aggregate Principal Installments and interest that would have been payable on the Senior Bonds to be refunded, assuming all Sinking Fund Installments are made as provided in the Supplemental Indentures for Senior Bonds.

2. The proceeds, including accrued interest, of Additional Senior Bonds of each Series shall be applied simultaneously with their delivery as follows:

(1) There shall be deposited in the Debt Reserve Account the amount, if any, necessary so that the amount in that Account equals the Debt Reserve Requirement calculated immediately after such delivery, to the extent not funded from any other source; and

(2) There shall be deposited in any other Fund, Account or Sub-Account under this Indenture or any Supplemental Indenture and in any fund or account to provide for the payment or defeasance of any obligation refunded by the Additional Senior Bonds, if any, the amount required or provided by the Supplemental Indenture providing for the issuance of such Additional Senior Bonds.

Section 205. Junior Bonds.

1. One or more Series of Junior Bonds may be issued as authorized by the Authority by a Supplemental Indenture for any purpose for which Senior Bonds may be issued.

2. Any Supplemental Indenture providing for the issuance of any Series of Junior Bonds shall make provision for the establishment of any Junior Bond Debt Service Account or Accounts and any Junior Bond Debt Reserve Account with respect to any or all Series of Junior Bonds and for the amounts of Net Revenues to be deposited in such Accounts (as provided in Section 504). Any such Supplemental Indenture may grant a lien on and pledge for the payment of principal of and interest on Junior Bonds or reimbursing Providers of Credit Enhancement or Hedge Agreements for Junior Bonds for amounts applied by such Provider to pay such principal or interest, of the (i) Net Revenues to be deposited in any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account as provided in Section 504; (ii) amounts on deposit from time to time in Junior Bond Debt Service Accounts and Junior Bond Debt Reserve Accounts; (iii) amounts on deposit from time to time in the Renewal and Replacement Account, the Improvement Account and the System Reserve Account; and (iv) any other funds, accounts, property or receipts other than Revenues or Funds or Accounts established by this Indenture or a Supplemental Indenture solely for the benefit of Senior Bonds. Any

such pledge or lien on Net Revenues and amounts on deposit from time to time in the Renewal and Replacement Account, the Improvement Account and the System Reserve Account shall be subordinate to the pledge and lien made and granted by Section 501 of this Indenture for Senior Bonds. A Supplemental Indenture providing for the issuance of any series of Junior Bonds may provide for “events of default” with respect to such Junior Bonds and remedies arising from such “events of default.” Such a remedy may include acceleration of the maturity of any Junior Bonds, but only upon not less than sixty days written notice to the Trustee. No remedy shall be contrary to the rights or remedies provided to Holders of Senior Bonds under this Indenture.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Obligation of Bonds; Medium of Payment; Form and Date; Letters and Numbers.

1. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

2. Any Bonds of a Series may be issued in the form of coupon Bonds, in the form of fully registered Bonds without coupons or, pursuant to the provisions, of a Supplemental Indenture, in any other form permitted by law at the time of original issuance, including, but not limited to, Bonds which are transferable through a book entry system. The Authority shall not be required to issue coupon Bonds, or exchange coupon Bonds for registered Bonds, if issuance of coupon Bonds or exchange for coupon Bonds might cause the interest on any Bonds to be subject to Federal income taxation.

3. Each Bond shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

4. Bonds shall be dated as provided in this Indenture or the Supplemental Indenture authorizing the Bonds of such Series. 1985 Series Bonds authenticated and delivered prior to July 1, 1986 shall be dated December 1, 1985. 1985 Series Bonds authenticated and delivered on or after July 1, 1986 shall be dated the January 1 or July 1 preceding the date of their authentication and delivery to which interest has been paid or duly provided for, except 1985 Series Bonds authenticated and delivered on a January 1 or July 1 to which interest has been paid or duly provided shall be dated that January 1 or July 1.

Section 302. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, law, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Authority or the Trustee prior to the authentication and delivery thereof.

Section 303. Execution and Authentication.

1. The Bonds shall be executed in the name of the Authority by the manual or facsimile signatures of its Chairman and Secretary, and its corporate seal (or a facsimile of it) shall be impressed, imprinted, engraved or otherwise reproduced on them. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as provided in this Indenture, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond may be signed and sealed on behalf of the Authority by such persons who at the time of the execution of such Bond shall hold the proper office in the Authority, although at the date of such Bond such persons may not have been so authorized or have held such office.

2. The Bonds shall bear a certificate of authentication, in the form set forth in this Indenture or the Supplemental Indenture authorizing such Bonds, executed manually by the Trustee. Only such Bonds as shall bear such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no such Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any such Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Holder is entitled to the benefits of this Indenture.

Section 304. Negotiability, Transfer and Registry.

1. Title to any coupon Bond, and to any coupons, shall pass by delivery as negotiable instruments payable to bearer.

2. Each registered Bond shall be transferable only upon the registry books of the Authority, which shall be kept for the purpose by the Registrar, by the registered owner in person or by his attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such registered Bond, the Authority shall issue in the name of the transferee a new registered Bond or Bonds or, at the option of the transferee, to the extent permitted by law and by this Indenture, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount, Series and maturity as the surrendered Bond.

3. The Authority and each Fiduciary may deem and treat the person in whose name any registered Bond shall be registered upon the registry books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary. The Authority agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Indenture, in so treating such registered owner.

Section 305. Provisions With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring registered Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds and coupons surrendered in any such exchanges shall forthwith be canceled by the Trustee. For any exchange or transfer of Bonds, whether temporary or definitive, the Authority, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. The Registrar and the Trustee shall not be required to make any registration, transfer or exchange of any Bond during the period between each Record Date and the next succeeding interest payment date of such Bond, or after such Bond has been called for redemption or, in the case of any proposed redemption of Bonds, during the fifteen (15) days next preceding the date of first giving of notice of such redemption.

Section 306. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond (with appropriate coupons attached in the case of coupon Bonds) of like Series, maturity and principal amount as the Bonds and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and coupons, if any, destroyed, stolen or lost, upon filing with the Trustee or Registrar evidence satisfactory to the Authority and the Trustee or Registrar that such Bond and attached coupons, if any, have been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee or Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority, the Trustee or Registrar may prescribe and paying such expenses as the Authority and Trustee and Registrar may incur. All Bonds and coupons so surrendered to the Trustee or Registrar shall be canceled by the Trustee in accordance with Section 1205. Any such new Bonds or coupons issued pursuant to this Section in substitution for Bonds or coupons alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds and coupons so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Bonds and coupons of the same Series issued under this Indenture and shall be equally secured by the moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders.

Section 307. Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 303, and, upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to exchangeability, one or more temporary Bonds (which may be registrable as to principal and interest) substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, but with or without coupons, in denominations of \$5,000 or any integral multiples thereof authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds in bearer form shall be payable only upon the presentation and surrender of the coupons therefor attached thereto or upon presentation of such temporary Bonds for notation thereon of the payment of such

interest. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds with all unmatured coupons and all matured coupons for which no payment or only partial payment has been provided, attached, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds, of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

2. If the Authority shall authorize the issuance of temporary Bonds in more than one denomination, the Holder of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series and maturity of any other authorized denomination or denominations, and thereupon the Authority shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 305, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such Holder.

3. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

ARTICLE IV

REDEMPTION OF BONDS

Section 401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Indenture or a Supplemental Indenture shall be redeemable, upon notice given as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in Article IV as may be specified in this Indenture or in the Supplemental Indenture authorizing such Series.

Section 402. Redemption at the Election or Direction of the Authority. In the case of any redemption of Bonds at the election or direction of the Authority, the Authority shall give written notice to the Trustee of its election or direction so to redeem, of the date fixed for redemption, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. Such notice shall be given at least 45 days prior to the specified redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, there shall be paid prior to the specified redemption date to the Trustee an amount in cash or Investment Securities maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Bonds to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption; such amount and moneys shall be held in a separate, segregated account for the benefit of the Holders of the Bonds so called for redemption.

Section 403. Redemption Otherwise Than at Authority's Election or Direction. Whenever by the terms of this Indenture the Trustee is required or authorized to redeem Bonds otherwise than at the execution or direction of the Authority, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price thereof, plus interest accrued and unpaid to the date fixed for redemption, in accordance with the terms of Articles IV and V to the extent applicable.

Section 404. Selection of Bonds to be Redeemed. Unless otherwise provided by Supplemental Indenture, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portion of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000.

Section 405. Notice of Redemption. When the Trustee shall receive notice from the Authority of its election or direction to redeem Bonds pursuant to Section 402, and when redemption of Bonds is authorized or required pursuant to Section 403, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the date fixed for redemption and the place or places where amounts due upon such date fixed for redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable the Redemption Price of each Bond to be redeemed, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. Notice of the redemption of coupon Bonds shall be given by publication once in an Authorized Newspaper, not less than 30 days prior to the date fixed for redemption. The Trustee shall mail copies of such notice by registered or certified mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owners of the Bonds to be redeemed at their addresses as shown on the registry books of the Authority, maintained by the Registrar. If the Trustee publishes or mails notices of redemption as herein provided, notice shall be conclusively presumed to have been given to all Bondholders.

Section 406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405, the Bonds or portions thereof so called for redemption shall become due and payable on the date fixed for redemption at the Redemption Price, plus interest accrued and unpaid to such date, and, upon presentation and surrender thereof at any place specified in such notice, together, in the case of coupon Bonds, with all appurtenant coupons maturing subsequent to the date fixed for redemption, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to such date. All interest installments represented by coupons which shall have matured on or prior to the date fixed for redemption shall continue to be payable to the bearers of such coupons. If there shall be called for redemption less than all of a Bond, the Authority shall execute and the Trustee shall authenticate and the appropriate

Fiduciary shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, at the option of the owner thereof, to the extent permitted by law and this Indenture, either coupon Bonds or registered Bonds of like Series and maturity in any authorized denominations. If, on the date fixed for redemption, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable, and the coupons for interest appertaining thereto maturing subsequent to the date fixed for redemption shall be void. If said moneys shall not be so available on the date fixed for redemption, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 407. Optional Redemption of 1985 Series Bonds. The 1985 Series Bonds maturing on or after January 1, 1997 are subject to redemption at the election or direction of the Authority prior to maturity on or after January 1, 1996, in whole at any time or in part in any order of maturity designated by the Authority on any interest payment date, in integral multiples of \$5,000, at the Redemption Prices (expressed as percentages of aggregate principal amount) set forth in the table below, plus accrued interest thereon to the date fixed for redemption:

Redemption Dates (Dates Inclusive)	Redemption Prices
January 1, 1996 through December 31, 1996	102.0%
January 1, 1997 through December 31, 1997	101.5%
January 1, 1998 through December 31, 1998	101.0%
January 1, 1999 through December 31, 1999	100.5%
January 1, 2000 and thereafter	100.0%

Section 408. Redemption Pursuant to Sinking Fund Installments. The 1985 Series Bonds are also subject to redemption prior to maturity at a Redemption Price equal to the principal amount thereof, by application by the Trustee in accordance with Section 507 of funds on deposit to the credit of the Redemption Sub-Account. Subject to the availability of funds for transfer from the Revenue Fund under clause (3) of subsection 2 of Section 504 and from the Debt Reserve Account under Section 508, deposits to be applied to Sinking Fund Installments shall be made during each Fiscal Year into the Redemption Sub-Account in amounts which will make possible the retirement, by purchase during the Fiscal Year or by redemption on the first day of the following Fiscal Year, of 1985 Series Bonds of each maturity in the aggregate principal amounts set forth in the following table opposite each such following Fiscal Year, as adjusted pursuant to Section 507:

1985 Series Bonds due January 1, 2005:

<u>Fiscal Year</u>	<u>Amount</u>
2001	\$ 7,875,000
2002	8,595,000
2003	9,380,000
2004	10,235,000

1985 Series Bonds due January 1, 2009:

<u>Fiscal Year</u>	<u>Amount</u>
2006	\$12,190,000
2007	13,315,000
2008	14,550,000

ARTICLE V

REVENUES AND ESTABLISHMENT AND APPLICATION OF FUNDS

Section 501. The Pledge and Lien Effected by this Indenture.

1. There are pledged for the payment of the principal and Redemption Price of, and interest on, the Senior Bonds in accordance with their terms and the provisions of this Indenture, and a lien is granted for such purpose, subject only to the provisions of this Indenture permitting or requiring the application for the purposes and on the terms and conditions set forth in this Indenture, (i) the Net Revenues, (ii) amounts on deposit in all Funds, Accounts and Sub-Accounts, except amounts on deposit in or required to be deposited in the Maintenance and Operation Account established by this Indenture and except for amounts held from time to time in any Junior Bond Debt Service Accounts, and any Junior Bond Debt Reserve Accounts established pursuant to the Supplemental Indentures authorizing any Junior Bonds issued under Section 205, and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee by the Authority or on behalf of the Authority or by any other persons to be held by the Trustee under the terms of this Indenture (except such amounts to be held solely for the benefit of Junior Bonds). The pledge and lien created by this Indenture secure Senior Bonds on an equal and ratable basis and are superior in all respects to any pledge and lien created by any Supplemental Indenture for Junior Bonds.

2. For purposes of the pledge and lien granted by this Section and the requirement for deposits in and use of amounts in the Debt Service Account, the payment of principal of, premium, if any, and interest on Senior Bonds may include reimbursing Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds for amounts applied by such Providers to pay such principal, premium or interest, but

amounts in the Debt Service Account may be so applied only if and to the extent after such application there is no deficiency in the Debt Service Account.

3. The Net Revenues and the other moneys and securities pledged shall immediately be subject to the lien and pledge without any physical delivery or further act, and the lien and pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice of the pledge and lien.

4. The Bonds do not represent or constitute a debt of the Authority or of the State of Illinois within the meaning of any constitutional or any statutory limitation or a pledge of the faith and credit of the Authority or the State of Illinois or grant to their Holders any right to have the Authority or the General Assembly of the State of Illinois levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are payable solely from the revenues and sources authorized under the Act and pledged for their payment in accordance with this Indenture and any Supplemental Indenture.

Section 502. Establishment of Revenue Fund and Accounts. The Revenue Fund and the following Accounts and Sub-Accounts within the Revenue Fund are established:

1. Maintenance and Operation Account, consisting of the Operating Sub-Account and the Operating Reserve Sub-Account, to be held by the Authority,
2. Debt Service Account, consisting of the Interest Sub-Account, the Principal Sub-Account, the Redemption Sub-Account and the Provider Payment Sub-Account, to be held by the Trustee,
3. Debt Reserve Account, to be held by the Trustee,
4. Renewal and Replacement Account, to be held by the Authority,
5. Improvement Account, to be held by the Authority, and
6. System Reserve Account, to be held by the Authority.

In addition, the Authority may establish by any Supplemental Indenture providing for Junior Bonds under Section 205, any one or more Junior Bond Debt Service Accounts and Junior Bond Debt Reserve Accounts.

Section 503. Establishment of Construction Fund.

1. The Construction Fund is established with the Treasurer as *ex officio* custodian, which Construction Fund shall be held as a separate, segregated fund within the Illinois State Toll Highway Authority Fund. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Indenture and any Supplemental Indenture, and there may be paid into the Construction Fund, at the

option of the Authority, any moneys received by the Authority for or in connection with the Tollway System otherwise than pursuant to such provisions.

2. The Treasurer shall establish and maintain within the Construction Fund a separate, segregated account for each Project the costs of which are to be paid in whole or in part out of the Construction Fund. The Treasurer may deposit any such separate, segregated account within the Construction Fund with the Trustee, pursuant to the provisions of a Supplemental Indenture.

3. Amounts in each separate, segregated account established for a Project shall be applied to the purpose or purposes and in the manner specified in this Indenture or the Supplemental Indenture authorizing the Bonds issued to finance such Project and upon the written direction of the Authority.

4. Moneys in the Construction Fund shall be invested at the direction of the Authority to the fullest extent practicable in Investment Securities maturing in such amounts and at such times as may be necessary to provide funds when needed to pay Costs of Construction or such other costs as may be required to be paid from such moneys. The Treasurer (or the Trustee in the event that the Trustee holds any such separate, segregated account within the Construction Fund) may, and to the extent required for payments from the Construction Fund shall, sell any such Investment Securities at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the applicable account in the Construction Fund. Earnings received on moneys or securities in a separate account in the Construction Fund shall be held as a part of such account and available for the purposes for which moneys in such account are otherwise held.

5. The completion, substantial completion or abandonment of construction of any Project to be paid for from the Construction Fund shall be evidenced by a resolution of the Authority, supported by a certificate of the Consulting Engineers, which shall be filed promptly with the Treasurer and the Trustee, stating the date of such completion, anticipated completion or abandonment and the amount, if any, required in the opinion of the signer of such certificate for the payment of any remaining part of the Cost of Construction of such Project. Upon the filing of such resolution and supporting certificate, the balance in the separate, segregated account in the Construction Fund established for that purpose and its revolving fund, if any (described below), in excess of the amount, if any, stated in such resolution shall be withdrawn by the Treasurer (or transferred to the Treasurer by the Trustee in the event that the Trustee holds such separate, segregated account) and applied as Revenues pursuant to Section 504.

6. In addition, the Treasurer shall, upon a direction of the Authority signed by an Authorized Officer, at one time or from time to time pay to the Authority from the separate, segregated account established for each Project a sum or sums aggregating an amount not to exceed the amount, if any, specified in the Supplemental Indenture authorizing the Bonds issued to finance such Project, exclusive of reimbursement from time to time for moneys expended for the cost of such Project, such sum or sums to be used as a revolving account for the payment of costs of such Project, which cannot otherwise be conveniently paid. Such revolving account shall be reimbursed by the Treasurer from time to time for costs of such Project so paid by payments from the separate, segregated account established for such Project upon a direction of the Authority signed by an Authorized Officer.

Section 504. Revenue Fund.

1. All Revenues received by the Authority, other than investment income from any moneys and securities held in Funds, Accounts and Sub-Accounts, unless otherwise directed by this Indenture, shall be delivered by the Authority to the Treasurer, for deposit in the Revenue Fund with one or more Depositories to be selected by the Treasurer, not more than five (5) Business Days after receipt by the Authority; provided, however, that amounts advanced by the Authority to the State of Illinois Department of Transportation or any other person from the Construction Fund, the Renewal and Replacement Account, the Improvement Account or the System Reserve Account pursuant to an agreement or understanding, formal or informal, that requires or contemplates the repayment to the Authority of all or any portion of the amounts so advanced may, upon the Authority's receipt of such repayment, be deposited directly into the Fund or Account from which such advance was made, whether or not the amounts so repaid might constitute Revenues.

2. On or before the 20th day of each month the Treasurer shall, at the direction of the Authority, transfer or apply the balance as of such date of transfer in the Revenue Fund not previously transferred or applied as follows and in the following order of priority:

(1) To the credit of the Operating Sub-Account that portion of the Operating Expenses set forth in the Annual Budget for the then current Fiscal Year which would have accrued on a pro rata basis to the end of the current calendar month if deemed to accrue monthly on a pro rata basis from the first day of the then current Fiscal Year, less all other amounts previously transferred by the Treasurer for deposit to the credit of the Operating Sub-Account during that Fiscal Year and less the balance, if any, which was on deposit to the credit of the Operating Sub-Account on December 31 of the preceding Fiscal Year;

(2) To the credit of the Operating Reserve Sub-Account the amount, if any, as shall be specified by the Authority; provided however, that such amount specified by the Authority shall be reduced by the amount, if any, by which such deposit, if made, when added to the balance on deposit to the credit of the Operating Reserve Sub-Account as of the last day of the immediately preceding month, would exceed thirty percent (30%) of the amount budgeted for Operating Expenses in the Annual Budget for the then current Fiscal Year;

(3) To the Trustee for deposit to the credit of the Interest Sub-Account, an amount equal to (a) any interest due and unpaid on Senior Bonds, plus (b) for each Series of Senior Bonds, one-sixth of the difference between the interest payable on Outstanding Senior Bonds of that Series on any interest payment date within the next six months and the proceeds of Senior Bonds on deposit to the credit of the Interest Sub-Account for paying that interest (provided, however, that for interest payable on any Series of Senior Bonds other than semi-annually, or at a variable rate, and for a first interest payment date or as otherwise provided in a Supplemental Indenture for any Series of Senior Bonds, the amount so deposited shall be as provided in the Supplemental Indenture authorizing the Senior Bonds providing for such deposits). Interest payable shall take into account any Qualified Hedge Agreement as provided in Section 103 of this Indenture. Notwithstanding any other provision of this

Indenture to the contrary, for all purposes of this Indenture, any net payments required to be made by the Authority to the Provider of that certain Interest Rate Swap Agreement, dated as of March 1, 1993, with respect to the 1993 Bonds including the net payment of any Settlement Amount (as defined in that Agreement), shall be made from amounts on deposit to the credit of the Interest Sub-Account. The amounts so payable under that Interest Rate Swap Agreement shall be paid on an equal and ratable basis with other payments from the Interest Sub-Account.

(4) To the Trustee for deposit to the credit of the Principal Sub-Account, an amount equal to (a) any principal due and unpaid on Outstanding Senior Bonds plus (b) for each Series of Senior Bonds, one-twelfth of any principal (including the maturity amount of Capital Appreciation Bonds) of such Outstanding Senior Bonds payable on the next principal payment date within the next twelve months (provided, however, that a Supplemental Indenture authorizing any Series of Senior Bonds which has Principal Installments payable other than annually shall provide for the amounts to be so deposited, and any Supplemental Indenture authorizing any Series of Senior Bonds may provide for additional deposits in the Principal Sub-Account);

(5) To the Trustee for deposit to the credit of the Redemption Sub-Account an amount for each Series of Senior Bonds equal to one-twelfth of any Sinking Fund Installment of such Outstanding Senior Bonds of that Series payable within the next twelve months (provided, however, that a Supplemental Indenture authorizing Senior Bonds of a Series which has Sinking Fund Installments payable other than annually shall provide for the amounts to be so deposited, and any Supplemental Indenture authorizing Senior Bonds of a Series may provide for additional deposits in the Redemption Sub-Account);

(6) To the Trustee for deposit to the credit of the Provider Payment Sub-Account amounts as provided in any Supplemental Indenture for paying Costs of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds or for making reimbursements to Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds, but no such deposit shall be made for making any termination payment for a Qualified Hedge Agreement when there is any deficiency in the Debt Reserve Account;

(7) To the Trustee for deposit to the credit of the Debt Reserve Account, an amount sufficient to cause the balance in it to equal the Debt Reserve Requirement and to make any required reimbursement to Providers of Reserve Account Credit Facilities, which reimbursement is payable as provided by a Supplemental Indenture from the Debt Reserve Account;

(8) To the Trustee for deposit to the credit of any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account, any amounts as required by, and in the priority established by, any Supplemental Indentures authorizing Junior Bonds;

(9) To the credit of the Renewal and Replacement Account, that portion of the Renewal and Replacement Deposit set forth in the Annual Budget for the then current Fiscal Year which would have accrued on a pro rata basis to the end of the current calendar month if deemed to accrue

monthly on a pro rata basis from the first day of the then current Fiscal Year, less all other amounts previously transferred by the Treasurer for deposit to the credit of the Renewal and Replacement Account during that Fiscal Year; and

(10) At the direction of the Authority, the balance of such amounts in the Revenue Fund shall be applied as follows:

(a) first, to the credit of the Improvement Account, for allocation to a project or projects as determined by the Authority in its sole discretion, until the balance in the Account is equal to the Improvement Requirement or such lesser amount as the Authority may from time to time determine by resolution; and

(b) second, to the credit of the System Reserve Account, the entire amount remaining in the Revenue Fund after depositing or allocating all amounts required to be deposited to the credit of the above Accounts and Sub-Accounts.

Any deficiency in the credits required to the various Accounts and Sub-Accounts in this Section in any month shall be added to the required credit for the next month.

3. For purposes of subsection 2 principal and interest due on a January 1 is treated as due on the preceding December 31. The amounts credited each January 1 and July 1 to the Debt Service Account and each Junior Bond Debt Service Account in excess of the credits required for the Debt Service Account and any Junior Bond Debt Service Account shall be a credit against the next deposit or deposits to that particular Account.

Section 505. Maintenance and Operation Account — Operating Sub-Account. Moneys to the credit of the Operating Sub-Account are to be applied to Operating Expenses at the direction of the Authority, subject to the provisions of Section 711 of this Indenture.

In addition, the Treasurer shall, upon a direction of the Authority signed by an Authorized Officer, at one time or from time to time pay to the Authority from the Operating Sub-Account for a locally held maintenance and operation revolving account in the name of the Authority in a sum or sums aggregating an amount not to exceed an amount (exclusive of reimbursement from time to time for moneys expended for Operating Expenses) determined by resolution of the Authority to be needed for Operating Expenses that cannot otherwise be conveniently paid. Such revolving account (except for sums needed for petty cash purposes) shall be held by the Authority in banks or other financial institutions selected by the Treasurer. Such revolving account shall be reimbursed by the Treasurer from time to time for such Operating Expenses so paid by payments from the Operating Sub-Account upon a direction of the Authority signed by an Authorized Officer.

Section 506. Maintenance and Operation Account — Operating Reserve Sub-Account. Subject to the provisions of Section 711 of this Indenture, moneys, if any, on deposit to the credit of the Operating Reserve Sub-Account shall be held as a reserve for the payment of Operating Expenses and shall be

withdrawn from time to time by the Authority, to the extent that moneys are not available to the credit of the Operating Sub-Account, in order to pay Operating Expenses. As of the last day of each Fiscal Year the Authority shall transfer from the Operating Reserve Sub-Account to the Operating Sub-Account the amount, if any, to the credit of the Operating Reserve Sub-Account in excess of thirty percent (30%) of the amount budgeted for Operating Expenses in the Annual Budget for the then current Fiscal Year.

If at any time the Authority determines by resolution that the amount on deposit to the credit of the Operating Reserve Sub-Account exceeds that amount which is deemed necessary to be held as a reserve for the payment of Operating Expenses, the amount of the excess shall be withdrawn from such Sub-Account by the Authority and, within five (5) Business Days after the adoption of such resolution, be applied as Revenues pursuant to Section 504.

Section 507. Debt Service Account.

1. The Trustee shall pay to the respective Paying Agents in Current Funds (i) out of the Interest Sub-Account on or before each interest payment date for any of the Senior Bonds, the amount required for the interest payable on such date; (ii) out of the Principal Sub-Account on or before each such interest payment date, an amount equal to the principal amount of the Outstanding Senior Bonds, if any, which matures on such date; and (iii) out of the Redemption Sub-Account on or before the day preceding any date fixed for redemption of the Outstanding Senior Bonds from Sinking Fund Installments, the amount required for the payment of such Redemption Price of the Senior Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents for these purposes on and after their due dates. The Trustee shall also pay out of the Interest Sub-Account the accrued interest included in the purchase price of Senior Bonds purchased for retirement. The Trustee shall, at any time there is any deficiency in credits to the Interest Sub-Account, the Principal Sub-Account and the Redemption Sub-Account, apply amounts in the Provider Payment Sub-Account to remedy those deficiencies, in that order. The Trustee shall pay from the Provider Payment Sub-Account after any payment, as provided in the preceding sentence, has been made, to Providers amounts for paying Costs of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds, or making reimbursement to Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds, as provided in Supplemental Indentures authorizing the issuance of a series of Senior Bonds, but only if there is no deficiency in the Interest, Principal or Redemption Sub-Accounts.

2. Amounts in the Redemption Sub-Account with respect to Sinking Fund Installments shall be applied to the purchase or redemption of Senior Bonds as provided in this subsection.

(1) Amounts deposited to the credit of the Redemption Sub-Account to be used in satisfaction of any Sinking Fund Installment may, and if so directed by the Authority shall, be applied by the Trustee, on or prior to the forty-fifth day preceding the next scheduled Sinking Fund Installment date, to the purchase of Senior Bonds of the Series and maturity for which such Sinking Fund Installment was established. That portion of the purchase price attributable to accrued interest shall be paid from the Interest Sub-Account. All such purchases of Senior Bonds shall be made at prices not exceeding the applicable Sinking Fund Redemption Price of such Senior Bonds plus accrued interest, and such purchases shall be made in such manner as the Authority shall determine. The

principal amount of any Senior Bonds so purchased shall be deemed to be a part of the Redemption Sub-Account until such Sinking Fund Installment date, for the purpose of calculating the amount on deposit in such Sub-Account.

(2) At any time up to the forty-fifth day preceding the next scheduled Sinking Fund Installment date, the Authority may purchase with any available funds, which may include amounts in the Improvement Account or the System Reserve Account, Senior Bonds for which such Sinking Fund Installment was established and surrender such Senior Bonds to the Trustee at any time up to such forty-fifth day.

(3) To the extent that amounts are available to the credit of the Redemption Sub-Account and the Debt Reserve Account, and after giving effect to the Senior Bonds purchased by the Trustee and Senior Bonds surrendered by the Authority, which shall be credited against the Sinking Fund Installment at their applicable sinking fund Redemption Price, and as soon as practicable after the forty-fifth day preceding the next scheduled Sinking Fund Installment date, the Trustee shall proceed to call for redemption on such scheduled Sinking Fund Installment date Senior Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Senior Bonds maturing on a Sinking Fund Installment date which shall be retired from payments from the Principal Sub-Account) in such amount as shall be necessary to complete the retirement of the unsatisfied portion of such Sinking Fund Installment. The Trustee shall pay out of the Redemption Sub-Account (after transfers to it from the Debt Reserve Account, if required) to the appropriate Paying Agents, on or before the day preceding such redemption date, the Redemption Price required for the redemption of the Senior Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

(4) If the principal amount of Senior Bonds retired pursuant to this subsection through application of amounts in satisfaction of any Sinking Fund Installment shall exceed such Sinking Fund Installment, or in the event of the purchase or redemption from moneys other than from the Redemption Sub-Account of Senior Bonds of any Series and maturity for which Sinking Fund Installments have been established, such excess or the principal amount of Senior Bonds so purchased or redeemed, as the case may be, shall be credited toward future scheduled Sinking Fund Installments either (i) in the order of their due dates or (ii) in such order as the Authority establishes in a certificate signed by an Authorized Officer and delivered to the Trustee on or prior to the date which is forty-five days after such redemption date.

(5) Failure to retire the entire scheduled amount of Senior Bonds through the application of any Sinking Fund Installment on or prior to the next scheduled Sinking Fund Installment date shall not be an Event of Default under Section 801 of this Indenture. Any amount of Senior Bonds not so retired shall be added to the amount to be retired on the next scheduled Sinking Fund Installment date for such Senior Bonds.

3. On each scheduled Sinking Fund Installment date, the Trustee shall determine the amount, if any, remaining in the Redemption Sub-Account with respect to such Sinking Fund Installment after all

requirements of the Sinking Fund Installment for such Sinking Fund Installment date have been satisfied. Any such amount shall be used to remedy any deficiency in any Sub-Account in the Debt Service Account and then any remaining amounts shall be transferred promptly from the Redemption Sub-Account to the Authority and applied as Revenues pursuant to Section 504.

4. On each maturity date of Senior Bonds, the Trustee shall determine the amount, if any, remaining in the Principal Sub-Account after all requirements for payment of principal due on each such maturity date have been satisfied. Any such amount shall be used to remedy any deficiency in any Sub-Account in the Debt Service Account and then any remaining amounts shall be transferred promptly from the Principal Sub-Account to the Authority and applied as Revenues pursuant to Section 504.

5. The amount, if any, deposited in the Interest Sub-Account from the proceeds of Senior Bonds shall be set aside in such Sub-Account and applied to the payment of the interest on the Senior Bonds with respect to which such proceeds were deposited as the same becomes due and payable.

Section 508. Debt Reserve Account.

1. If on the due date of any interest on any Senior Bonds or any Principal Installment of any Senior Bonds, the aggregate amount to the credit of the Debt Service Account shall be less than the amount required to pay such interest or Principal Installment (and any other net amounts payable by the Authority from the Interest Sub-Account pursuant to subsection 2 of Section 103), the Trustee shall apply amounts from the Debt Reserve Account to the extent necessary to make good the deficiency, in the following order of priority: first to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account and then to the credit of the Redemption Sub-Account.

2. The Trustee shall pay to Providers of Reserve Account Credit Facilities any reimbursement which is payable from the Debt Reserve Account as provided by a Supplemental Indenture, and upon the written direction of an Authorized Officer shall use amounts in the Debt Reserve Account to acquire a Reserve Account Credit Facility. Any such payment or acquisition shall, however, be made only if upon the payment the amount to the credit of the Debt Reserve Account, including the amount of any Reserve Account Credit Facilities, either is not less than the Debt Reserve Requirement or is not reduced by the payment or acquisition.

3. Whenever the amount to the credit of the Debt Reserve Account shall exceed the Debt Reserve Requirement after making any required reimbursement to a Provider of a Reserve Account Credit Facility, the Trustee shall use such excess to remedy any deficiency in the Debt Service Account and at the written direction of the Authority promptly transfer the amount of such excess to the Authority, to be applied as Revenues pursuant to Section 504; provided, however, that upon the written direction of the Authority, the Trustee shall promptly transfer all or any portion of the amount of such excess as specified in such direction (i) to a refunding or defeasance escrow established pursuant to Section 1201 or (ii) for any purpose for which Senior Bonds may be issued.

4. Whenever the amount to the credit of the Debt Reserve Account, together with the amount to the credit of the Debt Service Account after making any required reimbursement to a Provider of a Reserve

Account Credit Facility as provided by a Supplemental Indenture, are sufficient to pay all Outstanding Senior Bonds in accordance with their terms, the funds on deposit to the credit of the Debt Reserve Account shall be transferred to the Debt Service Account.

Section 509. Junior Bond Accounts. The Trustee shall apply amounts in the Junior Bond Debt Service Accounts and the Junior Bond Debt Reserve Accounts as required by, and in the priority established by, any Supplemental Indenture authorizing Junior Bonds.

Section 510. Renewal and Replacement Account.

1. Moneys to the credit of the Renewal and Replacement Account are to be applied to Renewal and Replacement Expenses at the direction of the Authority.

2. In addition, the Treasurer shall, upon a direction of the Authority signed by an Authorized Officer, at one time or from time to time pay to the Authority from the Renewal and Replacement Account to a locally held revolving account in the name of the Authority a sum or sums aggregating an amount not to exceed an amount (exclusive of reimbursement from time to time for moneys expended for Renewal and Replacement Expenses) determined by resolution of the Authority to be needed for Renewal and Replacement Expenses that cannot otherwise be conveniently paid. Such revolving account (except for sums needed for petty cash purposes) shall be held by the Authority in banks or other financial institutions selected by the Treasurer. Such revolving account shall be reimbursed by the Treasurer from time to time for such Renewal and Replacement Expenses so paid by payments from the Renewal and Replacement Account upon a direction of the Authority signed by an Authorized Officer.

3. If at any time the amounts to the credit of the Debt Service Account, the Debt Reserve Account, the Improvement Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on the Senior Bonds, the Authority upon notice from the Trustee shall transfer from the Renewal and Replacement Account and its revolving account to the Trustee for deposit to the credit of the Debt Service Account the amount necessary (or the entire available amount to the credit of the Renewal and Replacement Account and its revolving account if less than the amount necessary) to make up such deficiency, in the following order of priority: first, to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account and then to the credit of the Redemption Sub-Account and then to the credit of the Provider Payment Sub-Account.

4. If, at any time after the transfers referred to in subsection 3 of this Section have been made or have been determined by the Trustee to be unnecessary, the amounts to the credit of any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account, the Improvement Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on any Junior Bonds or to make required payments from any Junior Bond Debt Service Account, the Authority upon notice from the Trustee shall transfer from the Renewal and Replacement Account and its revolving account to the Trustee for deposit to the credit of the Junior Bond Debt Service Account the amount necessary (or the entire available amount to the credit of the Renewal and Replacement Account and its revolving account if less than the

amount necessary) to make up such deficiency in the order of priority specified by the Supplemental Indenture authorizing the related Junior Bonds.

Section 511. Improvement Account.

1. Moneys to the credit of the Improvement Account are to be applied to the payment of the costs of Improvements at the direction of the Authority.

2. In addition, the Treasurer shall, upon a direction of the Authority signed by an Authorized Officer, at one time or from time to time pay to the Authority from the Improvement Account to a locally held revolving account in the name of the Authority a sum or sums aggregating an amount not to exceed an amount (exclusive of reimbursement from time to time for moneys expended for Improvements) determined by resolution of the Authority to be needed for Improvements that cannot otherwise be conveniently paid. Such revolving account (except for sums needed for petty cash purposes) shall be held by the Authority in banks or other financial institutions selected by the Treasurer. Such revolving account shall be reimbursed by the Treasurer from time to time for such Improvements so paid by payments from the Improvement Account upon a direction of the Authority signed by an Authorized Officer.

3. If at any time the amounts to the credit of the Debt Service Account, the Debt Reserve Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on the Senior Bonds and to make required payments from the Debt Service Account, the Authority upon notice from the Trustee shall transfer from the Improvement Account and its revolving account to the Trustee for deposit to the credit of the Debt Service Account the amount necessary (or the entire available amount to the credit of the Improvement Account and its revolving account if less than the amount necessary) to make up such deficiency, in the following order of priority: first, to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account and then to the credit of the Redemption Sub-Account and then to the credit of the Provider Payment Sub-Account.

4. If, at any time after the transfers referred to in subsection 3 of this Section have been made or have been determined by the Trustee to be unnecessary, the amounts to the credit of any Junior Bond Debt Service Account, or Junior Bond Debt Reserve Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on any Junior Bonds, the Authority upon notice from the Trustee shall transfer from the Improvement Account and its revolving account to the Trustee for deposit to the credit of the Junior Bond Debt Service Accounts the amount necessary (or the entire available amount to the credit of the Improvement Account and its revolving account if less than the amount necessary) to make up such deficiency in the order of priority specified by the Supplemental Indenture authorizing the related Junior Bonds.

5. The Authority may, from time to time, cause the Consulting Engineers to prepare and file with the Authority estimates of the cost of proposed Improvements, which estimates may include or may be limited to the cost of any preliminary studies, and the Authority may adopt resolutions pursuant to such estimates for the establishment of the Improvement Requirement.

6. The cost of any Improvement may be revised by the Authority from time to time, in accordance with the procedures set forth in the immediately preceding subsection 5. In the event that the cost of any Improvement shall be increased in accordance with such procedures, the Improvement Requirement with respect to such Improvement shall be correspondingly increased. In the event that the cost of any Improvement shall be decreased in accordance with such procedures, the Improvement Requirement with respect to such Improvement shall be correspondingly decreased and any resulting excess to the credit of the Improvement Account shall in the sole discretion of the Authority, be promptly credited for the cost of any other Improvement, or be promptly transferred by the Authority to the credit of the System Reserve Account.

7. Nothing contained in this Indenture shall prohibit the Authority from withdrawing moneys deposited to the credit of the Improvement Account for any Improvement, and depositing such moneys to the credit of an account in the Construction Fund or to the credit of any other fund, account or sub-account maintained for the purpose of paying the cost of such Improvement.

Section 512. System Reserve Account.

1. The Authority shall transfer to the Trustee, upon requisition by the Trustee, from amounts on deposit to the credit of the System Reserve Account and its revolving account (described below) for credit (i) to the various Accounts and Sub-Accounts, and in the order of the priority specified in subsection 2 of Section 504 the amount necessary (or the entire amount to the credit of the System Reserve Account and its revolving account if less than the amount necessary) to make up any deficiencies in payments to those Accounts and Sub-Accounts required by Section 504, and (ii) in the event of any transfer of moneys pursuant to Section 508, to the credit of the Accounts from which such transfers were made in the order of priority specified in subsection 2 of Section 504 the amount of any resulting deficiency in such Accounts.

2. Amounts on deposit to the credit of the System Reserve Account and its revolving account after all transfers and payments required under subsection 1 above, may, in the sole discretion of the Authority, be applied to any one or more of the following purposes:

(a) to make payments to Holders of Subordinated Indebtedness or to trustees or paying agents for such Holders at the times specified in and in accordance with the terms of any resolution, indenture or instrument governing such Subordinated Indebtedness;

(b) to provide for the purchase or redemption of any Bonds and expenses of such purchase or redemption;

(c) to make payments into any separate account or accounts established in the Construction Fund for application to the purposes of such account;

(d) to provide improvements, extensions, betterments, renewals and replacements of the Tollway System, including studies, surveys, estimates and investigations relating thereto, or the provision of one or more reserves for those purposes;

- (e) to apply as Revenues pursuant to Section 504;
- (f) to be transferred to any Fund or Account established under this Indenture or any Supplemental Indenture; and
- (g) for any other lawful Authority purpose, including repayment of any other indebtedness of the Authority, however incurred.

3. In addition, the Treasurer shall, upon a direction of the Authority signed by an Authorized Officer, at one time or from time to time pay to the Authority from the System Reserve Account for a locally held system reserve revolving account in the name of the Authority a sum or sums aggregating an amount not to exceed an amount (exclusive of reimbursement from time to time for moneys expended for any of the purposes specified in subsection 2 of this Section 512) determined by resolution of the Authority to be needed for such purposes that cannot otherwise be conveniently paid. Such revolving account (except for sums needed for petty cash purposes) shall be held by the Authority in banks or other financial institutions selected by the Treasurer. Such revolving account shall be reimbursed by the Treasurer from time to time for expenditures for such purposes so paid by payments from the System Reserve Account upon a direction of the Authority signed by an Authorized Officer.

Section 513. Subordinated Indebtedness. Nothing in this Indenture shall prohibit or prevent, or be deemed or construed to prohibit or prevent, the Authority (to the extent now permitted under the Act or subsequently permitted by law) from issuing bonds, notes, certificates, warrants or other evidences of indebtedness, payable as to principal and interest from the amounts on deposit to the credit of the System Reserve Account for any one or more of the purposes for which Bonds may be issued under this Indenture. Such bonds, notes certificates, warrants or other evidences of indebtedness and the payment thereof may be secured by a lien and pledge on amounts payable from the System Reserve Account to the extent permitted under this Section 513 and Section 512.

Section 514. Credit Facilities in Lieu of Deposits Into the Debt Reserve Account. In lieu of any required deposits into the Debt Reserve Account, the Authority may cause to be deposited into the Debt Reserve Account one or more Reserve Account Credit Facilities which shall be in total amounts equal to the difference between the Debt Reserve Requirement and the sums then on deposit to the credit of the Debt Reserve Account, if any. Any Reserve Account Credit Facility shall be payable to the Trustee for the equal and ratable benefit of all of the Holders of the Senior Bonds (upon the giving of notice as required under the Reserve Account Credit Facility) on any interest payment date on which moneys will be required to be withdrawn from the Debt Reserve Account and applied to the payment of the Principal Installments of or interest on any such Bonds which withdrawal cannot be met by any amounts on deposit to the credit of the Debt Reserve Account. The Provider of the Reserve Account Credit Facility which is a surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by Standard & Poor's Corporation and Moody's Investors Service, Inc., or their successors, or any insurer who holds the highest policyholder rating accorded insurers by A.M. Best & Co. or any comparable service; provided that the Authority shall give each rating agency which gives any Bonds a Rating at least 7

days prior written notice before acquiring such a Reserve Account Credit Facility which does not meet the rating requirement of this sentence from Standard & Poor's Corporation and Moody's Investors Service, Inc., or their successors. The Provider of the Reserve Fund Credit Facility which is a letter of credit shall be a bank or trust company or other legal entity which is rated not lower than the second highest rating category by Standard & Poor's Corporation and Moody's Investors Service, Inc., or their successors, and the letter of credit or other credit facility itself shall be rated in the highest category of both such rating agencies. If a disbursement is made pursuant to any Reserve Account Credit Facility pursuant to this Section 514, the Authority shall be obligated either (i) to reinstate the maximum limits of such Reserve Account Credit Facility or (ii) to deposit to the credit of the Debt Reserve Account, funds in the amount of the disbursement made under such Reserve Account Credit Facility, or a combination of such alternatives, as shall provide that the amount to the credit of the Debt Reserve Account equals the Debt Reserve Requirement within a time period not longer than would have been required to restore the Debt Reserve Account by operation of clause (7) of subsection 2 of Section 504, as applicable.

Section 515. Funds, Accounts and Sub-Accounts Held by the Authority and the Treasurer.

Notwithstanding anything in this Indenture to the contrary, any Funds, Accounts and Sub-Accounts which by the terms of this Indenture are to be held by the Authority (except the revolving accounts described in Sections 503, 505, 509, 510 and 511) shall be held by the Treasurer. All Funds, Accounts and Sub-Accounts held by the Treasurer under the terms of this Indenture shall be held in trust in a special fund known as the "Illinois State Toll Highway Authority Fund," which fund shall be held, invested and disbursed upon the order of the Authority and in accordance with the provisions and covenants of this Indenture. That fund shall be protected by a corporate surety bond, executed by the Treasurer, with a surety authorized to do business in the State of Illinois, in such amount as shall from time to time be authorized by resolution of the Authority and approved by the Governor of the State of Illinois, all as required or permitted by the Act.

Section 516. Creation of Additional Accounts and Sub-Accounts. The Trustee or the Treasurer, as the case may be, shall, at the written request of the Authority, establish such additional Accounts within any of the Funds established under this Indenture, and Sub-Accounts within any of the Accounts established under this Indenture, as shall be specified in such written request, for the purpose of enabling the Authority to identify or account for more precisely the sources, timing and amounts of transfers or deposits into such Funds, Accounts and Sub-Accounts, the amounts on deposit in or credited to such Funds, Accounts or Sub-Accounts as of any date or dates of calculation, and the sources, timing and amounts of transfers, disbursements or withdrawals from such Funds, Accounts or Sub-Accounts; but the establishment of any such additional Accounts or Sub-Accounts shall not alter or modify in any manner or to any extent any of the requirements of this Indenture with respect to the deposit or use of moneys in any Fund, Account or Sub-Account established under this Indenture.

ARTICLE VI

DEPOSITARIES, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Depositories. All moneys held by the Trustee under the provisions of this Indenture shall be deposited with one or more Depositories (selected by the Treasurer with the consent of the Trustee, which consent shall not be unreasonably withheld) in the name of and in trust for the Trustee. All moneys held by the Authority under this Indenture shall be deposited in one or more Depositories (selected by the Treasurer) in the name of the Authority. All moneys deposited under the provisions of this Indenture with the Trustee, the Authority or any Depository shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds, Accounts and Sub-Accounts established by this Indenture shall be a trust fund.

Section 602. Deposits.

1. No moneys shall be deposited with any Depository, except a Fiduciary in its capacity as such, in an amount exceeding fifty percent (50%) of the amount which an officer of such Depository shall certify, at least once each Fiscal Year, to the Authority and the Treasurer and, with respect to moneys in Funds, Accounts and Sub-Accounts required to be held by the Trustee, to the Trustee, as the capital stock, surplus and retained earnings of such Depository in the case of any Depository which is a bank, national banking association or trust company or as the net worth of such Depository in the case of any Depository which is a savings or savings and loan institution.

2. All moneys held by any Depository under this Indenture may be placed on demand or time deposit, as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit as if it were not a Fiduciary. All moneys held by a Fiduciary may be deposited in its banking department on demand or, if and to the extent directed by the Authority, on time deposit, provided that such moneys on deposit be available for use when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size.

3. All moneys on deposit to the credit of the Debt Service Account, the Debt Reserve Account, the Junior Bond Debt Service Account and the Junior Bond Debt Reserve Account shall be continuously and fully secured for the benefit of the Authority and the Holders of the related Bonds by lodging with the Trustee as collateral security, direct obligations of or obligations unconditionally guaranteed by the United States having a market value (exclusive of accrued interest) of not less than the amount of such moneys. All moneys on deposit to the credit of the Construction Fund shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds and coupons by lodging with the Treasurer (or the Trustee in the event that the Trustee holds the separate, segregated account for which such investments are made) as collateral security, direct obligations of or obligations unconditionally guaranteed by the United States of America having a market value (exclusive of accrued interest) not less than the amount of such moneys. All other moneys held for the Authority under this Indenture shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds and coupons as provided by applicable state law with respect to the investment of public funds.

4. All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund, Account or Sub-Account to which such moneys belong.

Section 603. Investment of Certain Moneys.

1. Moneys held in any separate segregated accounts of the Construction Fund held by the Trustee, the Debt Service Account and its Sub-Accounts or the Debt Reserve Account, shall be invested and reinvested by the Trustee at the direction of the Authority confirmed in writing to the fullest extent practicable in Investment Securities which mature no later than necessary to provide moneys when needed for payments to be made from such Funds, Accounts or Sub-Accounts, but no moneys in the Debt Reserve Account shall be invested in any Investment Security maturing more than ten years from the date of such investment. Amounts in the Revenue Fund held by the Authority may be invested by the Treasurer at the direction of the Authority in Investment Securities which mature not later than necessary to provide moneys when needed for payments from such portion of the Revenue Fund so held by the Authority pursuant to this Indenture. Notwithstanding any limitation in this section, moneys held in any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account shall be invested and reinvested by the Trustee as provided in the Supplemental Indentures providing for such Account or Accounts.

2. Moneys held in two or more Funds, Accounts or Sub-Accounts may be jointly invested in one or more Investment Securities, provided that such investment complies with all the terms and conditions hereof relating to the investment of moneys in such Funds, Accounts or Sub-Accounts, as the case may be, and the Authority maintains books and records as to the allocation of such investment as among such Funds, Accounts or Sub-Accounts. Investment income from investments held in the various Funds, Accounts and Sub-Accounts shall remain in and be a part of the respective Funds, Accounts and Sub-Accounts in which such investments are held, except as otherwise provided in this Indenture.

3. Notwithstanding any other provisions of this Indenture to the contrary, all investments made under this Indenture shall be consistent with the expectations expressed in any arbitrage certificate executed on behalf of the Authority and filed with the Trustee with respect to any Series of Bonds issued under this Indenture.

Section 604. Valuation and Sale of Investments.

1. Investment Securities in any Fund, Account or Sub-Account created under the provisions of this Indenture shall be deemed at all times to be part of such Fund, Account or Sub-Account and any profit realized from the liquidation of such investment shall be credited to such Fund, Account or Sub-Account and any loss resulting from liquidation of such investment shall be charged to such Fund, Account or Sub-Account.

2. Valuation of Investment Securities held in the Funds, Accounts and Sub-Accounts established under this Indenture shall be made as often as may be necessary to determine the amounts held under this Indenture, except the valuation of Investment Securities held in the Debt Service Account and its Sub-Accounts, the Debt Reserve Account, any Junior Bond Debt Service Account and its Sub-Accounts and any Junior Bond Debt Reserve Account shall also be made on December 20 of

each year. For purposes of any valuation under this Section, in computing the amounts in such Funds, Accounts and Sub-Accounts, Investment Securities shall be valued as provided in subsection 3 of this Section 604.

3. The value of Investment Securities shall mean their fair market value, provided, however, that all Special Treasury Obligations shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

4. Except as otherwise provided in this Indenture, the Trustee or the Treasurer at the direction of the Authority shall sell at the best price obtainable, or present for redemption, any Investment Security held in any Fund, Account or Sub-Account whenever it shall be necessary in order to provide moneys to meet any payment or transfer from such Fund, Account or Sub-Account as the case may be. The Trustee, the Treasurer and the Authority shall not be liable or responsible for making any such investment in the manner provided above or for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VII

PARTICULAR COVENANTS AND REPRESENTATIONS OF THE AUTHORITY

Section 701. Payment of Bonds. The Authority covenants and agrees that it will pay or cause payment to be made of the principal at maturity and Redemption Price, if any, of every Outstanding Bond, whether a serial Bond or a term Bond, and the interest thereon, at the places, on the dates and in the manner provided in this Indenture, in the Bonds and in any coupons appertaining to coupon Bonds. The Authority further covenants and agrees that it will make deposits to meet all Sinking Fund Installments for the 1985 Series Bonds and for each other Series of Bonds for which Sinking Fund Installments are established, in accordance with and subject to the provisions of this Indenture and each Supplemental Indenture.

Section 702. Extension of Payment of Bonds and Coupons. If the maturity of any Bond, coupon or installment of interest shall be extended pursuant to the written consent of the owner thereof, such Bond, coupon or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of Revenues or Funds, Accounts and Sub-Accounts established by this Indenture or moneys held by Fiduciaries or Depositaries (except moneys held in trust for the payment of such Bond, coupon or installment of interest) until the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended coupons or claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Priority Refunding Bonds or Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 703. Offices for Servicing Bonds. The Authority shall at all times maintain one or more Paying Agents in the City of New York in the State of New York, or in the City of Chicago, in the State of

Illinois, where Bonds and coupons may be presented for payment and where Bonds may be presented for registration, transfer or exchange.

Section 704. Further Assurance. At any and all times the Authority shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the rights, Revenues and other moneys, securities and funds hereby pledged or assigned, or which the Authority may become bound to pledge or assign.

Section 705. Power to Issue Bonds and Pledge Revenues and Other Funds. The Authority is duly authorized under all applicable laws to issue the Bonds and to execute and deliver this Indenture and to pledge the Revenues and other moneys, securities and funds pledged by this Indenture and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. Except as provided in Section 501 and Section 906, the Revenues and other moneys, securities and funds so pledged, and subject to such lien, are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of this Indenture. The Authority covenants that upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and statutes of the State of Illinois (including, but not limited to, the Act) and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Revenues and other moneys, securities and funds pledged under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands.

Section 706. Power to Operate Tollway System and Collect Tolls and Fees. The Authority has, and will have so long as any Bonds are Outstanding, the right and lawful power to construct, reconstruct, improve, maintain, operate and repair the Tollway System and the exclusive right, subject to this Indenture, to fix and collect tolls, fees, rents or charges for its use.

Section 707. Indebtedness and Liens. The Authority shall not issue any bonds or other evidences of indebtedness, other than the Bonds and Subordinated Indebtedness, which are secured by a pledge of or lien on the Net Revenues or the moneys, securities or funds held or set aside by the Authority or by the Trustee under this Indenture, and shall not create or cause to be created any lien or charge on the Net Revenues or such moneys, securities or funds; provided, however, that nothing contained in this Indenture shall prevent the Authority from issuing (i) evidences of indebtedness payable from moneys in the Construction Fund as part of the Cost of Construction of any Project, or payable from, or secured by the pledge of, Revenues to be derived on and after such date as the pledge of Net Revenues provided in this Indenture shall be discharged and satisfied as provided in Section 1201, or (ii) Subordinated Indebtedness. The Authority reserves the right to issue bonds or other evidences of indebtedness for any purpose payable from or secured by funds or sources other than Revenues or moneys on deposit with the Trustee or the Authority under this

Indenture, provided, however, that such bonds or other evidences of indebtedness may be paid from moneys on deposit in the System Reserve Account.

Section 708. Sale, Lease and Encumbrance of Property. The Authority covenants that so long as any Bonds are Outstanding under this Indenture, the Authority will not sell, lease or otherwise dispose of or encumber the Tollway System or any part thereof and will not create or permit to be created any charge or lien on the Revenues, except as permitted under this Indenture; provided, however, that, to the extent permitted by law, the Authority may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the Tollway System if such lease, contract, license, easement or right does not impede or restrict the operation by the Authority of the Tollway System, and may also sell, lease or make contracts or grant licenses for the operation of, or grant other rights with respect to any part of the Tollway System for use as motor fuel service stations and facilities, garages, stores, restaurants, commercial or recreational areas or facilities, telephone, telegraph, light, power lines, utilities, tracks for railroad, railway or street railway or other concessions, if the Authority by resolution determines that such sale, lease, contract, license, easement or right does not impede or restrict the operation by the Authority of the Tollway System. The Authority may, however, from time to time, sell, exchange or otherwise dispose of any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of Bonds or Subordinated Indebtedness, if the Authority by resolution shall determine that such articles are no longer needed in connection with the construction or operation and maintenance of the Tollway System and the proceeds of any such disposition shall be applied to the replacement of the property so sold or disposed of or the acquisition of property of equal or greater value or shall be paid by the Authority to the Trustee for deposit to the credit of the Construction Fund or be deposited by the Authority to the credit of the Renewal and Replacement Account, the Improvement Account or the System Reserve Account or paid by the Authority to be applied as Revenues pursuant to Section 504, all as the Authority may direct. The Authority may from time to time sell, exchange or otherwise dispose of any real property or release, relinquish or extinguish any interest in it as the Authority by resolution shall declare is not needed in connection with the maintenance and operation of the Tollway System, and, in the judgment of the Authority, will not in the future be needed for any foreseeable improvement to the Tollway System. The proceeds of any such disposition, if any, shall be applied as hereinabove provided for the proceeds of the sale or disposal of movable property. Any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by the Authority from other than proceeds of Bonds or Subordinated Indebtedness may be disposed of in its discretion.

Section 709. Consulting and Traffic Engineers.

1. The Authority shall, until the Bonds and the interest thereon shall have been paid or provision for such payment shall have been made, for the purpose of performing and carrying out the duties imposed on the Consulting Engineers by this Indenture, employ, as Consulting Engineers, an independent engineer or engineering firm or corporation (other than the Traffic Engineers) having a nationwide and favorable reputation for skill and experience in such work.

2. The Authority shall, until the Bonds and the interest thereon shall have been paid or provision for such payment shall have been made, for the purpose of performing and carrying out the duties imposed on the Traffic Engineers by this Indenture, employ, as Traffic Engineers, an independent engineer or engineering firm or corporation (other than the Consulting Engineers) having a nationwide and favorable reputation for skill and experience in such work. In performing any duties and rendering any certificates or reports required by this Indenture, the Traffic Engineers may rely on estimates supplied by the Authority of all Revenues except tolls derived from the operation of the Tollway System.

Section 710. Annual Budget.

1. The Authority shall prepare a tentative budget of the Operating Expenses for the ensuing Fiscal Year and, on or before October 31 of each Fiscal Year, submit the same to the Trustee and the Consulting Engineers. The tentative budget shall include the recommendations of the Consulting Engineers as to the Renewal and Replacement Deposit for the ensuing Fiscal Year delivered to the Authority in writing and shall be accompanied by the Authority's estimate of the amount which, in the ensuing Fiscal Year, will be available for credit to the Improvement Account and the System Reserve Account and shall also be accompanied by a statement of the Authority as to the actual Revenues for the first eight (8) months of the current Fiscal Year and estimated Revenues for the next four (4) months of the current Fiscal Year and for the ensuing Fiscal Year. The Authority shall divide such tentative budget into reasonable classifications and divisions. The tentative budget, consisting of the amounts budgeted for Operating Expenses and the Renewal and Replacement Deposit, shall be subject to amendment by the Authority before final adoption (but only after serving a copy of the proposed amendment or amendments upon the Consulting Engineers).

2. If the Consulting Engineers shall object to any item in the tentative budget or in any proposed amendment or amendments to it, they shall prepare and file with the Authority within ten (10) days after receipt of a copy of it, a statement of their objections thereto together with their recommendations as to the changes which should be made. If the Authority shall desire to adopt finally the tentative budget (or the tentative budget as amended) as the Annual Budget without complying with the recommended changes of the Consulting Engineers, copies of the tentative budget which the Authority intends to adopt, accompanied by the objections and recommended changes of the Consulting Engineers shall, within five (5) days of receipt of the objections and recommendations, be sent to the Trustee for inspection by Bondholders and also to every Bondholder who, within two (2) years prior to the date of such notice, shall have filed with the Authority a statement of her or his name and address together with a request for copies of such notices. If the Holders of twenty percent (20%) in aggregate principal amount of the Senior Bonds then Outstanding shall so request in writing within fourteen (14) days of the date of mailing of the aforesaid copies to the Trustee and Bondholders, the Authority shall, not less than twenty-one (21) days before the date for final adoption of the Annual Budget, hold a public hearing at which the Holder of any Bond may appear in person or by agent or attorney and present any objections the Holder may have to adoption of the tentative budget as the Annual Budget for such year. Notice of the time and place of such hearing shall be published at least once in an Authorized Newspaper, at least five (5) days before such hearing, and the Authority shall at least five (5) days before such hearing cause a copy of such notice to be mailed to the Trustee for inspection by Bondholders and also to every Bondholder who within two (2) years prior to the date

of such notice shall have filed with the Authority a statement of the Holder's name and address together with a request for copies of such notices.

3. On or before January 31 of each Fiscal Year, the Authority shall finally adopt the Annual Budget for such Fiscal Year. The Authority may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. Copies of the Annual Budget and of any amended Annual Budget shall be promptly filed with the Trustee for inspection by Bondholders.

4. If the Authority desires to adopt an amended Annual Budget for any Fiscal Year providing for total Operating Expenses exceeding one hundred ten percent (110%) of the Annual Budget initially adopted for such year, the Authority shall give the Consulting Engineers not less than ten (10) days prior written notice thereof, including a copy of the proposed amended Annual Budget. If the Consulting Engineers shall file an objection to such proposed amended Annual Budget with the Authority within ten (10) days of receipt of such notice, such amended Annual Budget shall not be effective or supersede any prior Annual Budget until the Authority shall adopt said amended Annual Budget by not less than a three-fifths (3/5) vote of all Directors of the Authority taken at a public meeting. Notice of such public meeting shall be given in accordance with law.

5. If for any reason the Authority shall not have adopted the Annual Budget before January 31 of any Fiscal Year, the budget for the preceding Fiscal Year shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted. For any purpose of computation under the provisions of Article V, the Annual Budget for the preceding year shall be deemed to have been adopted for any Fiscal Year until the Annual Budget for such Fiscal Year shall be adopted and a copy thereof filed with the Trustee.

Section 711. Limitations on Operating Expenses. The Authority shall not pay Operating Expenses in any Fiscal Year in excess of the reasonable and necessary amount thereof, and shall not expend an amount for Operating Expenses in such Fiscal Year in excess of the aggregate amounts provided for Operating Expenses in the Annual Budget as originally adopted or as amended.

Section 712. Operation and Maintenance of Tollway. The Authority shall at all times operate or cause to be operated the Tollway System properly and in a sound and economical manner and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Tollway System may be properly and advantageously conducted.

Section 713. Tolls and Charges.

1. The Authority shall at all times charge and collect tolls for the use of the Tollway System at rates not less than those set forth in any schedule of tolls then in effect.

2. The Authority shall at all times fix, charge and collect such tolls for the use of the Tollway System as shall be required in order that in each Fiscal Year Net Revenues shall at least equal the Net Revenue Requirement for such Fiscal Year.

3. On or before October 31 of each Fiscal Year the Authority shall cause the Traffic Engineers to make a written estimate of the revenues from tolls for the last four (4) months of such Fiscal Year and for the ensuing Fiscal Year and shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues for such Fiscal Year were, and for the next succeeding Fiscal Year will be, sufficient to comply with subsection 2 of this Section and shall, by resolution, make a determination with respect to that sufficiency. Such review shall take into consideration the anticipated completion date of any uncompleted Projects and the issuance of future Series of Bonds if necessary to finance the completion of such Projects. A copy of such resolution, certified by an Authorized Officer, together with a certificate of such Authorized Officer, including a statement setting forth the actual and estimated Revenues (including the estimates of toll revenues prepared by the Traffic Engineers), Operating Expenses, Aggregate Debt Service, Junior Bond Revenue Requirement, and Renewal and Replacement Deposit and any other estimates or assumptions upon which such determination was based, shall be filed with the Trustee on or before December 5 of each Fiscal Year, or may be included as an appendix to the tentative budget as provided in Section 710. If the Authority determines that the Net Revenues may not be sufficient to meet the Net Revenue Requirement in either the current or ensuing Fiscal Year, it shall (a) forthwith cause the Traffic Engineers to provide a recommended schedule of tolls for the Tollway System which, in the opinion of the Traffic Engineers, will cause sufficient Revenues to be collected to comply with subsection 2 of this Section 713 in such ensuing Fiscal Year and to eliminate the amount of such estimated deficiency from such current Fiscal Year not later than twelve (12) months after the effective date of such recommended schedule of tolls, and (b) as promptly as practicable but no later than April 30 of such following Fiscal Year, adopt and place in effect the schedule of tolls recommended by the Traffic Engineers.

4. Except as provided in subsections 6 and 7 below, the Authority shall not effect any reduction in any toll rate fixed for the use of the Tollway System, except after thirty (30) days' notice to the Trustee and then only if, accompanying the notice, there shall be filed with the Trustee:

(1) A Certificate of the Traffic Engineers stating whether, to the best of their knowledge, any Federal, State or other agency is then projecting or planning the construction, improvement, or acquisition of any highway or other facility which, in the opinion of the Traffic Engineers, may be materially competitive with any part of the Tollway System and the estimated date of completion of such highway or other facility, and setting forth estimates of Revenues, giving effect to the completion of any uncompleted Project at the time estimated by the Consulting Engineers, for the then current and each of the next ten (10) Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur on the assumption that any such competing highway or other facility will be completed on such estimated date and will thereafter be in operation during the period covered by such estimates;

(2) A Certificate of the Consulting Engineers setting forth, for the years and on the assumptions specified in the Certificate of the Traffic Engineers delivered pursuant to

clause (1) of subsection 4 of this Section 713, estimates of Operating Expenses and the Renewal and Replacement Deposit, giving effect to the completion of any uncompleted Project at the time estimated by the Consulting Engineers; and

(3) A Certificate of any Authorized Officer setting forth (i) the Aggregate Debt Service (excluding bond interest, the payment of which shall have been provided by payments or deposits out of Bond proceeds) for the next preceding eighteen months and the Junior Bond Revenue Requirement, during that period, (ii) Renewal and Replacement Deposits for the then current Fiscal Year, and estimated Renewal and Replacement Deposits for each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, (iii) the Aggregate Debt Service for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Senior Bonds, whichever is first to occur and the Junior Bond Revenue Requirement, during that period, and (iv) the Net Revenues for the next preceding eighteen months; and stating (a) that Net Revenues have equaled at least 1.5 times the Aggregate Debt Service for any twelve (12) consecutive months of the preceding eighteen (18) months, (b) that the estimated Net Revenues (based on the certificates filed pursuant to clauses (1) and (2) of this subsection) for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, will be not less than 1.5 times the Aggregate Debt Service for each such Fiscal Year, (c) if there shall be any uncompleted Project, that the Net Revenue Requirement for each such Fiscal Year includes the Aggregate Debt Service, as estimated by such Authorized Officer, with respect to all future Series of Senior Bonds which (based on estimates by the Consulting Engineers of Costs of Construction of such Project) will be required to complete such Project, (d) that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bonds or this Indenture and (e) that the amount in the Debt Reserve Account is at least equal to the Debt Reserve Requirement and the amount in the Junior Bond Debt Reserve Account is at least equal to any requirement for such Account established by the related Supplemental Indenture.

5. The Authority may increase toll rates at any time and from time to time upon written recommendation of the Traffic Engineers, as evidenced by their certificate filed by the Authority with the Trustee.

6. The Authority may also make any minor adjustment or reclassification of toll rates or establish special toll rates at any time and from time to time provided that such action (i) is concurred in by the Traffic Engineers and affects traffic of a character specified by the Traffic Engineers as accounting for less than ten percent (10%) of the Revenues, as evidenced by the certificate of the Traffic Engineers filed by the Authority with the Trustee, and (ii) the Authority estimates such actions in the aggregate during any Fiscal Year will not result in a reduction of Net Revenues in excess of one and one-half percent (1-1/2%) of Net Revenues for the current or any future Fiscal Year, as supported by certificates, filed by the Authority with the Trustee, of the Traffic Engineers setting forth estimated Revenues, and of the Consulting Engineers setting forth the estimated Operating Expenses.

7. The Authority may also make any changes in toll rates when there is filed with the Trustee a Certificate of the Traffic Engineers that the change in toll rates is not projected to result in

a reduction of Revenues during any Fiscal Year in the next five (5) Fiscal Years or to and including the latest maturity of Senior Bonds, whichever is first to occur.

8. The Authority shall forthwith upon the adoption or revision of any schedule of tolls or revision file certified copies with the Trustee.

9. The failure in any Fiscal Year to comply with the covenant in subsection 2 of this Section shall not constitute an Event of Default if the Authority shall comply with subsection 3 of this Section; provided that if the Traffic Engineers (relying upon the certificate of the Consulting Engineers mentioned below in this subsection) shall be of the opinion, as shown by their certificate filed with the Trustee, that a schedule of tolls for the Tollway System which would provide funds to meet the requirements specified in subsection 2 of this Section is impracticable at that time, and the Authority, therefore, cannot comply with subsection 3 of this Section, then the Authority shall fix and establish such schedule of tolls as is recommended in such certificate by the Traffic Engineers in order to comply as nearly as practicable with subsection 2 of this Section, and in such event the failure of the Authority to comply with subsection 2 and subsection 3 of this Section shall not constitute an Event of Default. The Traffic Engineers' certificate shall be accompanied by a certificate of the Consulting Engineers setting forth estimates of payments for the then current and each of the next ten Fiscal Years to and including the latest maturity of the Bonds, whichever is first to occur, for Operating Expenses and Renewal and Replacement Deposits, giving effect to the estimated date of completion of construction of any uncompleted Project. The Trustee may, and upon the identical request of the Holders of not less than fifty percent (50%) in principal amount of the Senior Bonds Outstanding and upon being indemnified to its satisfaction shall, institute and prosecute in a court of competent jurisdiction or appropriate action to compel revision of the schedule of tolls and the fixing, charging and collection of tolls in accordance with the Act and any of the covenants contained in this Section 713.

Section 714. Classification of Toll; Free Passage.

1. Tolls for using the Tollway System shall be classified in a reasonable way to cover all traffic.

2. The Authority shall not grant free passage for the use of the Tollway System, except (i) to doctors, officers and employees of the Authority, members of the Authority's advisory committee and elected executive officers of the State of Illinois whose offices are established by the Illinois Constitution when necessary or incidental to the conduct of the business of the Authority, (ii) to officers of the Illinois State Police Force in the performance of duties for the policing of the Tollway System, (iii) to fire department, police department and public or private ambulance service or rescue squad service vehicles while engaged in the performance of an emergency service or duty necessitating the use of the Tollway System.

Section 715. Maintenance of Insurance.

1. The Authority shall at all times maintain, to the extent reasonably obtainable, the following kinds and the following amounts of insurance, with such variations as shall reasonably be required to conform

to applicable standard or customary insurance practice and subject to such exceptions and permissible deductibles as are ordinarily required:

(1) Multi-risk insurance on the facilities of the Tollway System which are of an insurable nature and of the character usually insured by those operating similar facilities, covering direct physical loss or damage thereto from causes customarily insured against, in such amounts as the Consulting Engineers certify to be necessary or advisable to provide against such loss or damage and to protect the interests of the Authority and the Bondholders;

(2) Use and occupancy insurance covering loss of Revenues by reason of necessary interruption, total or partial, in the use of facilities of the Tollway System, due to loss or damage to any such facility on which the Authority maintains such multi-risk insurance, in such amounts as the Consulting Engineers certify will provide income during the period of interruption equal to the amount of the loss of Net Revenues, computed on the basis of Net Revenues for the corresponding period during the preceding Fiscal Year, attributable to such loss or damage;

(3) Public liability insurance covering injuries to persons and property in such amount as shall be determined by Resolution of the Authority to be adequate to insure the Authority against claims arising out of the construction, maintenance, reconstruction or operation of the facilities of the Tollway System;

(4) During the construction or reconstruction of any portion of the facilities of the Tollway System, such insurance as is customarily carried by others with respect to similar structures used for similar purposes, provided that the Authority shall not be required to maintain any such insurance to the extent that such insurance is carried for the benefit of the Authority by contractors; and

(5) Any additional or other insurance which the Consulting Engineers or the Authority consider is necessary or advisable to protect the interests of the Authority and the Bondholders.

2. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Authority.

3. Certifications by the Consulting Engineers made pursuant to this Section shall be in writing and filed with the Authority and the Trustee. The Authority shall file with the Trustee annually, within thirty (30) days after the close of each Fiscal Year, a certificate of an Authorized Officer (i) describing in reasonable detail the insurance and the self insurance programs, if any (hereinafter described) then in effect pursuant to this Section and that the Authority has complied in all respects with the requirements of this Section, and (ii) stating whether during such Fiscal Year any portion of the Tollway System had been damaged or destroyed and, if so, the amount of insurance covering such loss or damage and the Authority's estimated (or actual) costs of reconstruction or replacement thereof.

4. Notwithstanding the foregoing provisions of this Section 715, pursuant to a resolution of the Authority's Board and with the approval of the Consulting Engineers, the Authority may adopt self insurance programs in lieu of maintaining any of the foregoing types of insurance; provided, however, that:

(1) Each such self insurance program shall include an actuarially sound reserve fund, if any, as recommended by the Consulting Engineers, out of which claims are to be paid and the adequacy of such fund shall be evaluated not later than 90 days after the end of each insurance year.

(2) Deficiencies in any such reserve fund shall be made up in accordance with the recommendations of the Consulting Engineers.

(3) In the event a self insurance program is discontinued, the actuarial soundness of any related reserve fund, as recommended by the Consulting Engineers shall be maintained.

(4) With respect to any workers' compensation self insurance program, any such reserve fund shall be held as required by law.

Section 716. Reconstruction; Application of Insurance Proceeds.

1. The proceeds of any insurance paid on account of damage or destruction of any portion of the Tollway System and the proceeds of any use or occupancy insurance, shall be held by the Authority and applied as follows:

(1) If any necessary portion of the Tollway System shall be damaged or destroyed, the Authority shall, as expeditiously as possible, continuously and diligently prosecute its reconstruction or replacement. The proceeds of any insurance paid on account of such damage or destruction, other than use and occupancy insurance, shall, to the extent necessary, be applied to the cost of such reconstruction or replacement. The proceeds of any insurance not so applied within twenty-four (24) months after receipt shall be applied as Revenues pursuant to Section 504 unless there shall have been sooner filed with the Trustee a certificate of an Authorized Officer stating the intention of the Authority to apply such proceeds to such reconstruction or replacement. The proceeds of any such insurance may be applied as Revenues pursuant to Section 504 prior to the end of the twenty-four (24) month period following receipt thereof, provided that there shall have been filed with the Trustee a certificate of an Authorized Officer certifying that the reconstruction or replacement for which such proceeds were received is completed and fully paid for.

(2) If the proceeds of insurance authorized by this Section to be applied to the reconstruction or replacement of any portion of the Tollway System are insufficient for such purpose, the deficiency may be supplied out of moneys in the Renewal and Replacement Account, the Improvement Account and the System Reserve Account to the extent, as shown by a certificate of the Consulting Engineers filed by the Authority with the Trustee, not needed to be reserved for the purposes of the Account from which such moneys have been withdrawn.

(3) The proceeds of insurance against physical loss of or damage to any Project for which a separate account is established in the Construction Fund, or of contractors' performance bonds with respect to such Project received during the period of construction of the Project, shall be paid into any separate account established in the Construction Fund for such Project. The proceeds of insurance against loss of or damage to the Tollway System or of contractors' performance bonds not required to be deposited into a separate account established in the Construction Fund shall be paid into the Renewal and Replacement Account.

(4) The proceeds of any use and occupancy insurance shall be paid into the Revenue Fund.

2. Any amounts paid from a self insurance reserve fund pursuant to a self insurance program established pursuant to Section 715 hereof shall be deemed to be proceeds of the insurance in lieu of which such fund was established and such amounts shall be applied in the manner set forth in subsection 1 of this Section 716.

Section 717. Accounts and Reports.

1. The Authority shall keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Tollway System and the Funds and Sub-Accounts established by this Indenture, and which, together with all other books and financial records of the Authority, including insurance policies, shall at all reasonable times be available for the inspection of the Trustee and the Holders of not less than ten percent (10%) in principal amount of the Senior Bonds or ten percent (10%) in principal amount of the Junior Bonds then outstanding or their representatives duly authorized in writing. The Authority further covenants that it will keep an accurate record of the total cost of construction of the Tollway System, of the daily tolls and other Revenues collected, of the number and class of vehicles using the Tollway System, and of the application of such tolls and other Revenues.

2. The Authority further covenants that at least every three months it will cause to be filed with the Trustee and mailed to the Consulting Engineers, the Traffic Engineers, the Managing Underwriters and the Holders of any Bonds who within the prior two (2) years shall have filed with the Authority their names and addresses for such purpose, a report setting forth the following information with respect to (i) the preceding three calendar months and the corresponding months of the preceding Fiscal Year, and (ii) year-to-date information with respect to the current Fiscal Year and corresponding months of the preceding Fiscal Year:

(1) The Revenues and expenditures or expenses of the Tollway System, appropriately classified within Funds and a statement of Net Revenues.

(2) The number of vehicles in each class using the Tollway System, and

(3) The revenues derived from each class of vehicles using the Tollway System.

3. The Authority further covenants that not later than April 30 of each year it will cause an audit to be made of its books and accounts relating to the Tollway System for the Fiscal Year having just ended.

Promptly thereafter reports of each such annual audit, signed by an Accountant, shall be filed with the Authority and the Trustee, and copies of such annual reports shall be mailed by the Authority to the Consulting Engineers, the Managing Underwriters and the Holders of any Bonds who within the prior two (2) years shall have filed with the Authority their names and addresses for such purpose. Each report shall state that the Accountant has examined the provisions of this Indenture relating to the receipt and application of funds and whether, in his opinion, the Authority has complied with such provisions. Each such annual audit report shall include the following information with respect to the most recent Fiscal Year and for the preceding Fiscal Year:

- (1) A statement of assets and liabilities relating to the Tollway System as of the end of such period,
- (2) A statement of net operating revenues,
- (3) A statement of changes in fund and account balances,
- (4) The details of all Bonds issued, paid, purchased, or redeemed, and
- (5) The investments of cash at the end of such period showing the respective amounts to the credit of each Fund, Account and Sub-Account held by any Depository, including the Trustee, and any security held therefor, and showing the details of any investments thereof.

The following schedules, which need not be audited, shall be included for informational purposes only in each such annual report:

- (1) The number of vehicles of each class using the Tollway System, and
- (2) The revenues derived from each class of vehicles that use the Tollway System.

4. The Authority further covenants that it will cause any additional reports or audits relating to the Tollway System to be made as required by law, and that, as often as may be reasonably requested, it will furnish to the Trustee, the Traffic Engineers and to the Consulting Engineers such other information concerning the Tollway System or the operation thereof as any of them reasonably request.

Section 718. Progress Reports. As soon as practicable after the issuance of the initial Series of Bonds for a Project, the Authority, with respect to Projects to be financed from the Construction Fund, shall prepare an estimated schedule for the acquisition of rights of way and for construction of such Project, and estimates of the amounts which will be required during each three-month period for estimated Costs of Construction of such Project. Thereafter, at least once in each three-month period during the construction of such Project, the Authority shall prepare a progress report as to the acquisition of real property for such Project and as to such construction, which shall include comparisons between the actual times elapsed and the actual costs, and the estimates of times required and costs to be incurred therefor which shall have been set forth

in any prior progress report prepared for such Project. Copies of such progress reports shall be filed with the Trustee, the Consulting Engineers, the Managing Underwriters and the Holders of any Bonds who shall have filed their names and addresses with the Authority for such purposes.

Section 719. Security for Construction Contracts.

1. The Authority shall require all persons, firms or corporations with whom it may contract for construction in an amount exceeding \$50,000 to furnish bonds conditioned upon the satisfactory performance of the work contracted for and upon the payment by each contractor and subcontractor for all labor performed or materials furnished pursuant to such contract; or, in lieu thereof, to deposit with it, to insure completion and performance of the contract and the payment by each contractor and subcontractor for all labor performed or materials furnished pursuant to such contract, marketable securities satisfactory to the Authority having a market value equal to the amount of such contract.

2. Each construction contract shall also provide in substance that the Authority will retain at least ten percent (10%) of each partial payment thereunder until such payments, including retained amounts, shall aggregate at least fifty percent (50%) of the adjusted total contract amount; that after work under the contract has been substantially completed, the Authority may release retained amounts which the Authority shall determine by resolution are in excess of the amount reasonably required to be retained to secure performance of the remaining work and obligations thereunder in a manner satisfactory to the Authority; and that final payments on the contract will not be made until completion of the work thereunder to the satisfaction of and after approval thereof by the Authority.

Section 720. Arbitrage. The Authority shall not at any time permit any of the proceeds of the Bonds or any other funds of the Authority to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond interest on which would otherwise be excluded from gross income for federal income tax purposes to be an "arbitrage bond" as defined in Section 148 of the Code.

Section 721. Escrow Agreement. The Authority covenants and agrees to maintain the irrevocable trust fund in the escrow established pursuant to the escrow agreement dated as of December 1, 1985, relating to the bonds issued under the 1995 Bond Resolution in accordance with provisions of that resolution.

ARTICLE VIII

REMEDIES OF BONDHOLDERS

Section 801. Events of Default. Each of the following events is declared an "Event of Default" with respect to Senior Bonds.

(1) if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Senior Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, provided, however, that the failure to retire the entire scheduled

amount of Bonds through the application of any Sinking Fund Installment shall not constitute an Event of Default as provided in Section 507;

(2) if a default shall occur in the due and punctual payment of interest on any Senior Bonds, when and as such interest shall become due and payable;

(3) if a default shall occur in the performance or observance by the Authority of the covenants, agreements and conditions contained in Section 713 (except as provided in subsection 9 of that Section);

(4) receipt of a written declaration of an Event of Default by Holders of not less than ten percent (10%) of the principal amount of the Senior Bonds (or at least fifty percent (50%) of the principal amount of any series of Senior Bonds), upon receipt of the Trustee of a notice of the acceleration of the maturity of any Junior Bonds as provided in Section 205;

(5) if a default shall occur in the performance or observance by the Authority of any other of the covenants, agreements or conditions contained in this Indenture or in any Bonds, and such default shall continue for a period of sixty (60) days after written notice of the default to the Authority by the Trustee or after written notice of the default to the Authority and to the Trustee by the Holders of not less than twenty percent (20%) in principal amount of the Senior Bonds Outstanding;

(6) if the Authority shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State of Illinois;

(7) if any part of the Tollway System shall be damaged or destroyed to the extent of impairing its efficient operation and materially and adversely affecting the Revenues, and the Authority shall not have taken reasonable steps to promptly repair, replace, reconstruct or provide a reasonable substitute for the damaged or destroyed part of the Tollway System (whether such failure promptly to repair, replace or reconstruct the same shall be due to the impracticability of such repair, replacement or reconstruction or to lack of funds therefor or for any reason); or

(8) if an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of the Tollway System, or any part of it, or of the tolls or other revenues therefrom; or if such order or decree entered without the consent or acquiescence of the Authority shall not be vacated or stayed within ninety (90) days after its entry;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Senior Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Authority), or the Holders of not less than a majority in aggregate principal amount of the Senior Bonds Outstanding (by notice in writing to the Authority and the

Trustee), may declare the principal of all the Senior Bonds then Outstanding, and the interest accrued on them, to be due and payable immediately. Upon any such declaration the Senior Bonds shall become and be immediately due and payable. The right of the Trustee or of the Holders of not less than a majority in principal amount of the Senior Bonds to make any such declaration, however, shall be subject to the condition that if, at any time after such declaration, but before the Senior Bonds shall have matured by their terms, all overdue installments of interest upon the Senior Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper charges and expenses of the Trustee, and all other sums then payable by the Authority under this Indenture (except the principal of, and interest accrued since the next preceding interest date on, the Senior Bonds due and payable solely by virtue of such declaration) 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 defaults under the Senior Bonds or under this Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of a majority in principal amount of Senior Bonds Outstanding, by written notice to the Authority and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of a majority in principal amount of the Senior Bonds then Outstanding, then any such declaration shall *ipso facto* be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any resulting right or power.

Section 802. Accounting and Examination of Records After Default.

1. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority and all other records relating to the Tollway System shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys, including the engineer or firm of engineers appointed pursuant to Section 803.

2. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds held by the Authority pursuant to the terms of this Indenture for such period as shall be stated in such demand.

Section 803. Application of Revenues and Other Moneys After Default.

1. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by the Authority in any Fund, Account, Sub-Account or revolving fund pursuant to the terms of this Indenture, and (ii) all Revenues as promptly as practicable after receipt thereof.

2. During the continuance of an Event of Default, the Trustee shall apply such moneys, securities, funds and Revenues and the income therefrom as follows and in the following order:

(1) to the payment of the reasonable and proper charges and expenses of the Trustee, including the reasonable expenses of counsel employed by it, and of any engineer or firm of engineers selected by the Trustee pursuant to this Article;

(2) to the payment of the amounts required for reasonable and necessary Operating Expenses and for the reasonable renewals, repairs and replacements of the Tollway System necessary to prevent loss of Revenues, as certified to the Trustee by an independent engineer or firm of engineers of recognized standing (who may be an engineer or firm of engineers retains by the Authority for other purposes) selected by the Trustee. For this purpose the books of record and accounts of the Authority relating to the Tollway System shall at all times be subject to the inspection of such engineer or firm of engineers during the continuance of such Event of Default;

(3) to the payment of the principal of, Redemption Price, and interest on the Bonds then due, as follows:

(a) unless the principal of all the Senior Bonds shall have become or have been declared due and payable,

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

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

Third: To the payment to the persons entitled thereto of all installments of interest then due on the Junior Bonds in the order of priority as provided in the Supplemental Indentures authorizing Junior Bonds, together with accrued and unpaid interest on the Junior Bonds theretofore called for redemption;

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

(b) if the principal of all the Senior Bonds shall have become or have been declared due and payable,

First: To the payment of the principal and interest then due and unpaid upon the Senior Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Bonds over any other Senior Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

Second: To the payment of the principal and interest then due and unpaid upon the Junior Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Junior Bond over any other Junior Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

(3) If and whenever all overdue installments of principal and Redemption Price of and interest on all Senior Bonds, together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Authority under this Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on all Senior Bonds held by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under this Indenture or the Senior Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities, and funds then remaining unexpended in the hands of the Trustee (except moneys, securities, funds deposited or pledged, or required by the terms of this Indenture to be deposited or pledged, with the Trustee), and thereupon the Authority, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights under this Indenture. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 804. Proceedings Brought by Trustee.

1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than twenty percent (20%) in principal amount of the Senior Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

2. All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

3. All actions against the Authority under this Indenture shall be brought in a state or federal court located in the State of Illinois.

4. The Holders of not less than a majority in principal amount of the Senior Bonds at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the enforcement of any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

5. Upon commencing any suit at law or in equity or upon commencement of other judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

6. Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Holders of a majority in principal amount of the Senior Bonds then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Indenture and to preserve or protect its interests and the interest of the Bondholders.

Section 805. Restriction on Bondholders' Action.

1. No Holder of any Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least a majority in principal amount of the Senior Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Indenture or by the Act or by the laws of Illinois or to institute such suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred in or by the suit or proceedings, and the Trustee shall have refused or failed to comply with such request within sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by such action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the benefit of all Holders of the Outstanding Bonds in the priority as provided in this Indenture and, for Junior Bonds, as provided in Supplemental Indentures authorizing them.

2. Nothing in this Indenture or in the Bonds or in the coupons contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 806. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Indenture.

Section 807. Effect of Waiver and Other Circumstances.

1. No delay or omission of the Trustee or any Bondholder 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 default or be an acquiescence therein.

2. Prior to any acceleration of maturity of the Senior Bonds under Section 801, the Holders of not less than two-thirds in principal amount of the Senior Bonds at the time Outstanding, or their attorneys-in-fact duly authorized may on behalf of the Holders of all of the Senior Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Senior Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 808. Notices of Default and Insufficiency of Revenues. The Trustee shall promptly mail to registered Holders of Bonds, the Managing Underwriters and to all Bondholders who shall have filed their names and addresses with the Trustee for such purpose, written notice of the occurrence of any Event of Default or of the receipt by the Trustee of any notice under Section 205 of the acceleration of any Junior Bond. If in any Fiscal Year the Net Revenues shall be insufficient to comply with the provisions of subsection 2 of Section 713, the Trustee, on or before the thirtieth (30th) day after receipt of the annual audit, shall mail to such registered Holders, Managing Underwriters and Bondholders written notice of such insufficiency.

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 901. Trustee; Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Authority agrees and the respective Holders of the Bonds, by their purchase and acceptance thereof agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture.

Section 902. Paying Agents; Appointment and Acceptance of Duties.

1. The First National Bank of Chicago in Chicago, Illinois and First Chicago Trust Company of New York in New York, New York are hereby appointed co-Paying Agents for the 1985 Series Bonds. The Authority shall appoint one or more Paying Agents for the Bonds of each other Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 914 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

2. The First National Bank of Chicago hereby accepts the duties and obligations imposed upon it as Paying Agent by this Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal or corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the interest on coupon Bonds and principal or Redemption Price of the Bonds.

Section 903. Registrar; Appointment and Acceptance of Duties.

1. The First National Bank of Chicago is hereby appointed Registrar for the 1985 Series Bonds. The Authority shall appoint a Registrar for each other Series of Bonds. Each Registrar shall have the qualifications set forth in Section 915 for a successor Registrar. The Trustee or any Paying Agent may be appointed a Registrar.

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

Section 904. Responsibilities of Fiduciaries.

1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds or coupons issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for any representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection 2 of this Section, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or misconduct.

2. In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

Section 905. Evidence on Which Fiduciaries May Act.

1. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including Counsel's Opinion), bond or other paper or document furnished to it pursuant to and conforming to the requirements of this Indenture, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

2. 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 Indenture, such matter (unless this Indenture specifically requires other evidence thereof) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, 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 it may deem reasonable.

3. Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished by the Authority to any Fiduciary shall be sufficiently executed if signed by an Authorized Officer.

Section 906. Compensation. Unless otherwise determined by contract between the Authority and each Fiduciary, the Authority shall pay to each Fiduciary from time to time reasonable compensation determined by the Authority for all services rendered under this Indenture. Subject to the provisions of Section

904, the Authority further agrees to indemnify and save each Fiduciary harmless against any loss, liability, cost or expense, including counsel fees, which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or misconduct.

Section 907. Certain Permitted Ads. Any Fiduciary may become the owner of any Bonds and coupons, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

Section 908. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than sixty (60) days' written notice to the Authority, the Treasurer, the Depositaries, and the other Fiduciaries, and publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for two successive calendar weeks in an Authorized Newspaper, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Authority (with the Treasurer) or the Bondholders as provided in Section 910, in which event such resignation shall take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 910 hereof.

Section 909. Removal of Trustee. The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by the Authority and the Treasurer; provided, however, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Authority and the Treasurer only with the written concurrence of the Holders of a majority in principal amount of Senior Bonds and the Holders of a majority in principal amount of Junior Bonds Outstanding. The Trustee may be removed at any time by the Holders of a majority in principal amount of the Senior Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Holders or their attorneys-in-fact duly authorized, and delivered to the Authority. Copies of each such instrument shall be delivered by the Authority to each Fiduciary.

Section 910. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Authority (with the Treasurer) shall appoint a successor Trustee. The Authority shall cause notice of any such appointment by it made to be published in an Authorized Newspaper and shall mail a copy thereof to the Managing Underwriters.

At any time within one (1) year after such appointment, the Holders of a majority in principal amount of Senior Bonds and the Holders of a majority in principal amount of Junior Bonds then Outstanding, by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunder duly authorized and filed with the Authority, may appoint a successor Trustee which shall supersede any Trustee theretofore appointed by the Authority. Photostatic copies of each such instrument shall be delivered promptly by the Authority to the predecessor Trustee and to the Trustee so appointed by the Bondholders.

2. If no appointment of a Trustee shall be made, either by the Authority or by the Bondholders, pursuant to the foregoing provisions of this Section 910, the Holder of any Bond Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, doing business and having its principal corporate trust office in the State of Illinois, and having capital stock and surplus aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

Section 911. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Authority or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 912. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary hereunder without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; provided, however, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

Section 913. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in its own name.

Section 914. Resignation or Removal of Paying Agent and Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Authority and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by an Authorized Officer and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$50,000,000, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Bonds. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 915. Resignation or Removal of Registrar and Appointment of Successor.

1. Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Authority and the other Fiduciaries. Any Registrar may be removed at any time by an instrument signed by an Authorized Officer and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Authority with the approval of the Trustee and shall be a bank, trust company or national banking association doing business and having an office in the State of Illinois or in the Borough of Manhattan, in the City and State of New York, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

2. In the event of the resignation or removal of any Registrar, such Registrar shall deliver all books, records and other property including the bond registry of the Authority to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar, the Trustee shall act as such Registrar.

Section 916. Trustee Not Deemed To Have Notice of Default. The Trustee shall not be deemed to have notice of any default under this Indenture except a default under Section 801(1) or (2) or the failure of the Authority to file with the Trustee any document required by this Indenture unless

any officer in its corporate trust office shall have actual knowledge thereof or the Trustee shall be specifically notified in writing of such default by the Authority or by the Holders of not less than twenty percent (20%) in principal amount of the Senior Bonds Outstanding; and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee.

Section 917. Quarterly Report By Trustee and Depositaries. Within seven (7) days after the end of each calendar quarter, the Trustee, any Paying Agent and each Depositary shall prepare a written report for each Fund, Account and Sub-Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee and each Depositary at the end of the quarter. A copy of each such report shall be furnished to the Authority and any persons designated by the Authority.

In addition, the Trustee, any Paying Agent and each Depositary shall, at any time when requested, including, without limitation, any request at the time of the resignation of the Trustee, any Paying Agent or any Depositary, furnish to the Authority and any persons designated by the Authority a report of the amount of moneys, including Investment Securities, held in each Fund, Account or Sub-Account by the Trustee and each Depositary. For purposes of this certification, the Investment Securities in each such Fund, Account and Sub-Account shall be treated as having a value equal to their aggregate market value as of the date of the request.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indentures Not Requiring Consent of Bondholders. The Authority and the Trustee may without the consent of, or notice to, any of the Bondholders, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (1) To authorize Senior Bonds or Junior Bonds and to specify, determine or authorize any matters and things concerning any such Bonds;
- (2) To close this Indenture against, or impose additional limitations or restrictions on, the issuance of Bonds, or of other notes, bonds, obligations or evidences of indebtedness;
- (3) To impose additional covenants or agreements to be observed by the Authority;
- (4) To impose other limitations or restrictions upon the Authority;
- (5) To surrender any right, power or privilege reserved to or conferred upon the Authority by this Indenture;

- (6) To confirm, as further assurance, any pledge of or lien upon the Revenues or any other moneys, securities or funds;
- (7) To cure any ambiguity, omission or defect in this Indenture;
- (8) To provide for the appointment of any successor Fiduciary; and
- (9) To make any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

Section 1002. Supplemental Indentures Effective Upon Consent of Bondholders. Any Supplemental Indenture not effective in accordance with Section 1001 shall take effect only if permitted and approved and in the manner prescribed by Article XI.

Section 1003. Filing of Counsel's Opinion. Each Supplemental Indenture described in Section 1001 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly authorized by the Authority in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when executed and delivered, will be valid and binding upon the Authority, the Bondholders and the Trustee.

ARTICLE XI

AMENDMENTS

Section 1101. Mailing and Publication.

1. Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed by first class mail, postage prepaid or delivered only (a) to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority kept at the principal office of the Registrar, (b) to each Holder of any Bond payable to bearer who shall have filed with the Trustee within two years preceding such mailing an address for notices, and (c) to the Trustee.

2. Any provision in this Article for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper.

[Form of Section 1102 to remain effective until such time as the Bonds of the Authority issued prior to the adoption of the 1996 Supplemental Indenture remain Outstanding.]

Section 1102. Powers of Amendment. Except for Supplemental Indentures described in Section 1001, any modification or amendment of this Indenture and of the rights and obligations of the Authority and of the Holders of the Bonds and coupons hereunder, in any particular, may be made by a Supplemental Indenture with the written consent given as provided in Section 1103, (i) of the Holders of at least two-thirds

in principal amount of the Priority Bonds and of at least two-thirds in principal amount of the Refunding Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds, or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not the rights of the Holders of Bonds of any particular Series or maturity would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the Authority and all Holders of the Bonds.

[Form of Section 1102 to become effective at such time as no Bonds of the Authority issued prior to the adoption of the 1996 Supplemental Indenture remain Outstanding.]

Section 1102. Powers of Amendment With Consent of Bondholders.

1. Except for Supplemental Indentures described in Section 1001, any modification or amendment of this Indenture and of the rights and obligations of the Authority and of the Holders of the Bonds in any particular, other than as provided in subsection 2 of this Section, may be made by a Supplemental Indenture with the written consent of Holders as provided in this Section. Until such time as no Bonds issued prior to the adoption of the 1996 Amendatory Supplemental Indenture remain Outstanding, the written consent, given as provided in Section 1103, (i) of the Holders of at least two-thirds in principal amount of the Priority Bonds and of at least two-thirds in principal amount of the Refunding Bonds, in each case Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given shall be required for modifications and amendments under this subsection 1. At such time as no Bonds issued prior to the adoption of the 1996 Amendatory Supplemental Indenture remain Outstanding, the written consent, given as provided in Section 1103, (i) of the Holders of at least a majority in principal amount of Senior Bonds, and of the Holders of at least a majority in principal amount of the Junior Bonds, in each case Outstanding at the time consent is given, or (ii) in case less than all of the Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Senior Bonds of all Series then Outstanding which are so affected, and a majority in principal amount of the Junior Bonds of all Series then Outstanding which are so affected, shall be required for modification and amendments under this subsection 1. However, if any modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Holders of those Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section.

2. No modification or amendment of this Indenture shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds, or of any installment of interest on any Outstanding Bonds or a reduction in the principal amount or the Redemption Price of or in the rate of interest on any Outstanding Bonds without the consent of the Holder of each such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to affect any such modification or amendment, or shall change or modify any of the rights or obligations of any fiduciary without its written assent.

3. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not the rights of the Holders of Bonds of any particular Series or maturity would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the Authority and all Holders of the Bonds.

[Form of Section 1102 to remain effective until such time as the Bonds of the Authority issued prior to the adoption of the 1996 Supplemental Indenture remain Outstanding.]

Section 1103. Consent of Bondholders. The Authority may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1102, to take effect when and as provided in this Section. Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Bondholders. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, (a) shall be mailed by the Authority to the Bondholders and, (b) if there are Outstanding any Bonds of any Series which are not in fully registered form and which would be affected by such Supplemental Indenture while such Bonds remain Outstanding, shall be published at least once in an Authorized Newspaper, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when, (a) there shall have been filed with the Trustee (i) the written consents of the Holders of the required principal amount of Outstanding Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Authority in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Authority, the Bondholders and the Trustee, and (b) a notice shall have been published as hereinafter in this Section provided. Any such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Trustee filed with the Authority that it has determined such proof and that such proof is sufficient under the provisions of Section 1202 shall be conclusive that consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor whether or not such subsequent Holder has notice thereof; provided, however, that any consent may be revoked by any Holder of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within thirty (30) days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and file with the Authority and the Trustee a written statement that the consents of the Holders of the required principal amount of Outstanding Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Holders of the required principal amount of Outstanding Bonds and will be effective as provided in this Section, shall be given (a) by mailing to the Bondholders but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding) and, (b) if there are Outstanding any Bonds of any Series which are not in fully registered form and which would be affected by such Supplemental Indenture while such Bonds remain Outstanding, by publication at least once within sixty (60) days after such statement of the Trustee has been so filed. The Trustee shall file with the Authority proof of the mailing and publication of such notice. A record, consisting of the papers required or permitted by this Section to be filed by or with the Trustee, shall be proof of the matters therein stated.

[Form of Section 1102 to become effective at such time as no Bonds of the Authority issued prior to the adoption of the 1996 Supplemental Indenture remain Outstanding.]

Section 1103. Method of Consent of Bondholders.

1. The Authority may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1102, to take effect when and as provided in this Section. Upon the authorization of such Supplemental Indenture, a copy of it shall be delivered to and held by the Trustee for the inspection of the Bondholders. A copy of the Supplemental Indenture (or a summary of it or reference to it in a form approved by the Trustee) together with a request to Bondholders for their consent in a form satisfactory to the Trustee, shall be mailed by the Authority to the Bondholders. Failure to mail such a copy and request shall not affect the validity of the Supplemental Indenture when consented to as provided in this Section. The Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when there shall have been filed with the Trustee (i) the written consents of the Holders of the required principal amount of Outstanding Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Authority in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Authority, the Bondholders and the Trustee.

2. Any consent to an amendment or modification shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange for them whether or not such subsequent Holder has notice of the consent. However, unless a consent states that it is irrevocable, any consent may be revoked by any Holder of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement referred to below in this Section is filed, a written revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no such revocation is on file with it. Any consent, or revocation, may be delivered or filed prior to any mailing required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing.

3. Notwithstanding any other provision of this Article, in issuing any Bonds the Authority may consent to any modification or amendment to this Indenture that may be adopted by consent of required percentages of Holders of Bonds. That consent shall, upon the issuance of those Bonds, constitute the irrevocable consent of the Holders of those Bonds. Those Bonds shall not be deemed not to be affected by the modification or amendment by reason of their issuance after the Authority's consent to such modification or amendment.

4. Within thirty (30) days of any date on which the consents on file with the Trustee and not previously revoked as provided in subsection 2 shall be sufficient under this Section, the Trustee shall make and file with the Authority and the Trustee a written statement that the consents of the Holders of the required principal amount of Outstanding Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time after the filing of the written statement, notice stating in substance that the Supplemental Indenture has been consented to by the Holders of the required

principal amount of Outstanding Bonds and will be effective as provided in this Section, shall be given (a) by mailing to the Bondholders. Failure to mail such notice or any defect in the mailing shall not prevent such Supplemental Indenture from becoming effective and binding. The Trustee shall file with the Authority proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section to be filed by or with the Trustee, shall be proof of the matters stated in that record.

Section 1104. Modifications by Unanimous Action. The Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and coupons thereunder may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Holders of all the Bonds then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Bonds with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in Section 1103 and (b) with the Authority of the Trustee's written statement that the consents of the Holders of all Outstanding Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its Written assent thereto.

Section 1105. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, identifying all Bonds so to be excluded.

Section 1106. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond to the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified which, in the opinion of the Trustee and the Authority, conform to such action may be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for such Bond then Outstanding.

ARTICLE XII

MISCELLANEOUS

Section 1201. Defeasance.

1. If the Authority shall pay or cause to be paid or there shall otherwise be paid, to the Holders of all Bonds and coupons the principal or Redemption Price, if applicable, and interest due or to become due

thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of any Revenues and other moneys and securities pledged under this Indenture and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the Authority, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Authority for any year or part thereof requested, and shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Authority all moneys and securities held by them pursuant to this Indenture which are not required for the payment of Bonds or coupons not previously surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Outstanding Bonds of a particular Series or maturity within a Series and the coupons appertaining thereto the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Authority to the Holders of such Bonds and to the Trustee shall thereupon be discharged and satisfied.

2. Bonds or coupons or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Escrow Agent at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section if the Authority shall have delivered to or deposited with the Escrow Agent (a) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their Principal Installments, (b) irrevocable instructions to publish or mail the required notice of redemption of any Bonds so to be redeemed, (c) either moneys in an amount which shall be sufficient, or obligations described in clause (i) of the definition of Federal Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, and (d) if any of said Bonds are not to be redeemed within the next succeeding sixty (60) days, irrevocable instructions to publish, as soon as practicable in an Authorized Newspaper, and to mail, at the time of such first publication, to all registered Holders of said Bonds a notice to the Holders of such Bonds and coupons that such deposit has been made with the Trustee and that said Bonds and coupons are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Bonds; provided, however, that no such publication of notice of said deposit shall be required if all of said Bonds are registered. The Federal Securities and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds. No payments of principal of any such Federal Securities or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, said Bonds unless after such withdrawal the amount held by the Trustee and interest to accrue on Federal Securities so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on such Bonds, at maturity or upon redemption, as the case may be.

3. Amounts deposited with the Trustee for the payment of Principal Installments of and interest on any Bonds deemed to be paid pursuant to this Section 1201, if so directed by the Authority, shall be applied by the Trustee to the purchase of such Bonds in accordance with this subsection. Bonds for which a redemption date has been established may be purchased on or prior to the forty-fifth (45th) day preceding the redemption date. The principal amount of Bonds to be redeemed shall be reduced by the principal amount of Bonds so purchased. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable principal amount or Redemption Price established pursuant to subsection 2 of this Section 1201, plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys and Federal Securities required to be held for the payment of all other Bonds deemed to be paid pursuant to this Section 1201.

4. The Authority may purchase with any available funds any Bonds deemed to be paid pursuant to this Section 1201 in accordance with this subsection. Bonds for which a redemption date has been established may be purchased by the Authority on or prior to the 45th day preceding the redemption date. On or prior to the forty-fifth (45th) day preceding the redemption date the Authority shall give notice to the Trustee of its intention to surrender such Bonds on the redemption date. The Trustee shall proceed to call for redemption the remainder of the Bonds due on the redemption date and shall pay to the Authority on the redemption date the Redemption Price of and interest on such Bonds upon surrender of such Bonds to the Trustee. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. The Trustee shall pay to the Authority the principal amount of and interest on such Bonds upon surrender of such Bonds on the maturity date.

5. Any time after any Bonds, interest on which is excluded from their Holders for federal income tax purposes, are deemed to be paid pursuant to this Section 1201, the Authority shall not at any time permit any of the proceeds of any Bonds or any other funds of the Authority to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond so deemed paid to be an "arbitrage bond" as defined in Section 148 of the Code.

6. Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture, notwithstanding that any Bonds are deemed to be paid pursuant to this Section 1201.

7. Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds or coupons which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds and coupons.

8. If any moneys or securities are to be delivered to the Trustee pursuant to subsection 2 of this Section 1201, the Trustee shall have capital and surplus not less than \$100,000,000.

Section 1202. Evidence of Signatures of Bondholders and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing.

Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds or coupons appertaining thereto, shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

(2) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry book.

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

Section 1203. Moneys held for Particular Bonds and Coupons. The amounts held by any Fiduciary for the payment of interest, principal or Redemption Price due on any date with respect to particular Bonds or coupons shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds and coupons entitled thereto.

Section 1204. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 1205. Cancellation and Destruction of Bonds or Coupons. All Bonds paid or redeemed, either at or before maturity, and all mutilated Bonds surrendered pursuant to Section 307, together with all unmatured coupons, if any, appertaining thereto, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Bonds and coupons, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. All interest coupons shall be promptly canceled upon their payment and delivered to the Trustee. Bonds and coupons so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds and coupons so destroyed, and one executed certificate shall be filed with the Authority and the other retained by the Trustee.

Section 1206. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries and the Holders of the Bonds and the coupons thereunto appertaining, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, and the Holders of the Bonds and the coupons thereunto appertaining.

Section 1207. No Recourse on the Bonds.

1. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on this Indenture against any past, present or future member, director, officer, employee or agent of the Authority, or any successor, public body or any person executing the Bonds, either directly or through the Authority, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of the Bonds.

2. No officer, director, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of, premium, if any, or interest on the Bonds; but nothing herein contained shall relieve any such officer, director, agent or employee from the performance of any official duty provided by law.

3. All covenants, stipulations, obligations and agreements of the Authority contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized by the Act and permitted by the Constitution of the State of Illinois, and no covenants, stipulations, obligations or agreements contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, director, agent or employee of the Authority in his individual capacity, and no officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issue thereof. No officer, director, agent or employee of the Authority shall incur any personal liability in acting or proceeding or in not acting or not proceeding in good faith, reasonably and in accordance with the terms of this Indenture and the Act.

Section 1208. Publication of Notice; Suspension of Publication.

1. Any publication to be made under the provisions of this Indenture in successive weeks or on successive dates may be made in each instance upon any business day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

2. If, because of the temporary or permanent suspension of the publication or general circulation of an Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to this Indenture in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

Section 1209. Successors and Assigns. Whenever in this Indenture the Authority is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture contained by or on behalf of the Authority shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 1210. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 1211. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to or filed with the Authority or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

To the Authority, if addressed to:

The Illinois State Toll Highway Authority
2001 West 22nd Street
Oak Brook, Illinois 60521
Attention: Executive Director

or at such other address as may be designated in writing by the Authority to the Trustee; and

To the Trustee, if addressed to:

The First National Bank of Chicago
One First National Plaza
Suite 0126
Chicago, Illinois 60670-0126

or at such other address as may be designated in writing by the Trustee to the Authority.

Section 1212. Construction. The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of Illinois law.

Section 1213. Headings Not a Part of this Indenture. Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.

Section 1214. Multiple Counterparts. The Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

The foregoing Trust Indenture is hereby approved and the Treasurer of the State of Illinois hereby agrees to be bound by the terms thereof applicable to the Treasurer of the State of Illinois.

/s/ James H. Donnewald
Treasurer of the State of Illinois

Approved as to form and constitutionality:

/s/ Malcolm J. Erickson
Special Asst. Attorney General, for Neil F.
Hartigan, Attorney General of the State of Illinois

EXHIBIT A

[Form of Bond-Front Side]

Registered No. _____

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
Toll Highway Refunding Revenue Bond, 1985 Series

See Reverse Side for
Additional Provisions

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
%		December 1, 1985	

Registered Owner:

Principal Amount:

[1] THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY, an instrumentality and administrative agency of the State of Illinois (the "Authority"), for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the Registered Owner identified above or registered assigns, upon presentation and surrender hereof, the Principal Amount identified above on the Maturity Date specified above, unless this 1985 Series Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, and to pay (but only out of the sources hereinafter provided) interest on said Principal Amount from the interest payment date next preceding the date of authentication and delivery of this 1985 Series Bond, unless this 1985 Series Bond is authenticated and delivered on an interest payment date, in which event this 1985 Series Bond shall bear interest from such interest payment date, or unless this 1985 Series Bond is authenticated and delivered prior to July 1, 1986, in which event this 1985 Series Bond shall bear interest from its Dated Date, or unless, as shown by the records of the hereinafter referred to Trustee, interest on this 1985 Series Bond shall be in default, in which event this 1985 Series Bond shall bear interest from the last date to which interest has been paid. Interest on this 1985 Series Bond is payable on July 1, 1986 and thereafter on January 1 and July 1 of each year, until the payment in full of such Principal Amount, except as provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto.

[2] Principal of and premium, if any, on this 1985 Series Bond are payable in lawful money of the United States of America at the principal corporate trust office of The First National Bank of Chicago, Chicago, Illinois, or its successor in trust (the "Trustee") and Paying Agent, or, at the option of the Registered Owner hereof, at the designated office of First Chicago Trust Company of New York, New York, New York, as Co-Paying Agent; payment of the interest hereon shall be made to the person in whose name this 1985 Series Bond is registered at the close of

business on the fifteenth (15th) day of the calendar month next preceding each interest payment date (the "Record Date") by check or bank draft mailed by the Trustee to such Registered Owner at such Registered Owner's address as it appears on the registry books of the Authority maintained by The First National Bank of Chicago, Chicago, Illinois, as Registrar (the "Registrar").

[3] Reference is hereby made to the further provisions of this 1985 Series Bond on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[4] It is hereby certified, recited and declared that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this 1985 Series Bond have been performed in due time, form and manner as required by law; and that the issuance of this 1985 Series Bond and the series of which it is a part does not exceed or violate any constitutional or statutory limitation.

[5] This 1985 Series Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

[6] IN WITNESS Whereof, The Illinois State Toll Highway Authority has caused this 1985 Series Bond to be signed in its name and on its behalf by the facsimile signature of its Chairman, and its corporate seal (or a facsimile thereof) to be hereunto impressed, imprinted, engraved or otherwise reproduced hereon and attested by the facsimile signature of its Secretary, all as of the Dated Date identified above.

**THE ILLINOIS STATE TOLL HIGHWAY
AUTHORITY**

(facsimile signature) _____
Chairman

Facsimile Seal

Attest:

(facsimile signature) _____
Secretary

[Form of Certificate of Authentication on all 1985 Series Bonds]

Trustee's Certificate

This Bond is one of the 1985 Series Bonds described in the within-mentioned Indenture.

Date of Authentication and Delivery: The First National Bank of Chicago, as Trustee

By: _____
Authorized Signatory

[Form of Bond-Reverse Side]

[7] This 1985 Series Bond is one of a duly authorized issue of \$167,200,000 aggregate principal amount Toll Highway Refunding Revenue Bonds, 1985 Series (the "1985 Series Bonds"), issued pursuant to the provisions of Illinois Revised Statutes, Chapter 121, paragraphs 100-1 *et seq.*, as amended (the "Act") and a Trust Indenture dated as of December 1, 1985 (the "Indenture"), by and between the Authority and the Trustee, for the purpose of raising moneys to advance refund the Authority's Northern Illinois Toll Highway Revenue Bonds, designated Series of 1955; Series of 1955, Issue of 1958; Series of 1955, Issue of 1966; and Series of 1955, Issue of 1970 (collectively, the "1955 Bonds"); to pay costs in connection with the advance refunding of the 1955 Bonds; to pay costs in connection with the issuance of the 1985 Series Bonds; and to provide for the funding of a Debt Reserve Account established under the Indenture. As provided in the Indenture, the principal or redemption price of and interest on the 1985 Series Bonds are payable solely from and secured by a pledge of and lien on Net Revenues (the "Net Revenues") of the Authority's Tollway System (the "Tollway System") described in the Indenture and amounts on deposit in certain Funds, Accounts and Sub-Accounts established pursuant to the Indenture. Such pledge is subject and subordinate in certain respects to the pledge and lien created by the Indenture for the benefit of Priority Bonds (as defined in the Indenture) which may be issued by the Authority pursuant to the Indenture.

[8] Pursuant to an Escrow Agreement (the "Escrow Agreement") by and between the Authority and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as Escrow Agent (the "Escrow Agent"), the Authority has established an irrevocable Escrow Fund (the "Escrow Fund") with the Escrow Agent, for the purpose of paying the interest on the 1955 Bonds as the same becomes due and retiring the 1955 Bonds on the dates and in the amounts set forth in the Escrow Agreement and to pay costs in connection with the advance refunding of the 1955 Bonds. Direct obligations of the United States of America together with a beginning cash balance have been established in the Escrow Fund with the Escrow Agent for the purpose of providing for the timely payment of the 1955 Bonds at the times and in the amounts set forth in the Escrow Agreement. The rights of the owners of all 1985 Series Bonds, Refunding Bonds permitted to be issued under the Indenture on a parity with the 1985 Series Bonds and Priority Bonds (collectively, the "Bonds") pursuant to the Indenture are subject to the rights of the holders of the 1955 Bonds to the extent that

the Escrow Fund should be insufficient to pay interest and premium on and principal of the 1955 Bonds when required to be paid. Copies of the Indenture and the Escrow Agreement are on file at the principal corporate trust office of the Trustee and reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Authority, the Trustee and the owners of the Bonds and the terms upon which the Bonds may be issued and secured.

[9] This 1985 Series Bond is transferable, as provided in the Indenture, only upon the registry books of the Authority maintained by the Registrar by the Registered Owner hereof in person, or by his duly authorized attorney, upon surrender hereof with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new registered 1985 Series Bond or Bonds, in the same aggregate principal amount and maturity, shall be issued to the transferee. The Authority, the Trustee, the Registrar, and any Paying Agent may deem and treat the person in whose name this 1985 Series Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

[10] The 1985 Series Bonds are issuable in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. Subject to the conditions and upon the payment of the charges provided in the Indenture, 1985 Series Bonds may be surrendered (accompanied by a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of 1985 Series Bonds of the same maturity of any other authorized denominations.

[11] The Registrar shall not be required to make any registration, transfer or exchange of any 1985 Series Bond during the period between each Record Date and the next succeeding interest payment date of such 1985 Series Bond, or after such 1985 Series Bond has been called for redemption or, in the case of any proposed redemption of 1985 Series Bonds, during the fifteen (15) days next preceding the date of first giving of notice of such redemption.

[12] 1985 Series Bonds maturing on or after January 1, 1997 are subject to redemption at the election or direction of the Authority prior to maturity on or after January 1, 1996, in whole at any time or in part in any order of maturity designated by the Authority on any interest payment date during the periods set forth below in integral multiples of \$5,000, at the redemption prices (expressed as percentages of aggregate principal amount) set forth in the table below, plus accrued interest thereon to the date fixed for redemption:

Period During Which Redeemed (both dates inclusive)	<u>Redemption Prices</u>
January 1, 1996 through December 31, 1996	102.0%
January 1, 1997 through December 31, 1997	101.5%
January 1, 1998 through December 31, 1998	101.0%

January 1, 1999 through December 31, 1999	100.5%
January 1, 2000 and thereafter	100.0%

[13] To the extent that amounts are available in the Redemption Sub-Account and Debt Reserve Account established pursuant to the Indenture, and after giving effect to 1985 Series Bonds maturing on January 1 of the years 2005 and 2009 purchased by the Trustee and 1985 Series Bonds of the same maturities surrendered by the Authority to the Trustee (which 1985 Series Bonds shall be credited against Sinking Fund Installments described in the Indenture with respect to the 1985 Series Bonds maturing on January 1 of the years 2005 and 2009, respectively), 1985 Series Bonds maturing on January 1 of the years 2005 and 2009 are also subject to redemption prior to maturity on January 1 of the years 2001 through 2004 and 2006 through 2008 respectively, in satisfaction of such Sinking Fund Installments, at a redemption price equal to the principal amount thereof. Failure to retire the entire scheduled amount of such 1985 Series Bonds through the application of any Sinking Fund Installment shall not be an event of default under the Indenture.

[14] If less than all of the 1985 Series Bonds of like maturity shall be called for redemption, the particular 1985 Series Bonds or portions thereof to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any 1985 Series Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof and that, in selecting portions of such 1985 Series Bonds for redemption, the Trustee shall treat each such 1985 Series Bond as representing that number of 1985 Series Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such 1985 Series Bond to be redeemed in part by \$5,000. Notice of the redemption of 1985 Series Bonds shall be given by the Trustee by registered or certified mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owners of the 1985 Series Bonds to be redeemed at their addresses shown on the registry books of the Authority maintained by the Registrar. If, on the date fixed for redemption, moneys for the redemption of all 1985 Series Bonds or portions thereof to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date, then, from and after the date fixed for redemption, interest on the 1985 Series Bonds or portions thereof so called for redemption shall cease to accrue and become payable.

[15] Pursuant to the Indenture, the Authority shall fix, charge and collect tolls for the use of the Tollway System as shall be required in order that in each fiscal year of the Authority (the "Fiscal Year") Net Revenues shall at least equal the Net Revenue Requirement (as such term is defined in the Indenture) (the "Net Revenue Requirement") for such Fiscal Year (collectively, the "Toll Covenant"). Failure to comply with the Toll Covenant shall not constitute an event of default under the Indenture if the Authority shall, during the following Fiscal Year, adopt and place in effect a schedule of tolls recommended by an engineer or engineering firm or corporation described in the Indenture (the "Traffic Engineers"); *provided* that if the Traffic Engineers shall be of the opinion that a schedule of tolls sufficient to satisfy the requirements of the Toll Covenant is impracticable, then the Authority shall fix and establish such schedule of tolls as is recommended by the Traffic Engineers in order to comply as nearly as practicable with the Toll Covenant and in such event the failure to comply with the Toll Covenant shall not constitute an event of default under the Indenture.

[16] The Indenture provides that if the Authority shall pay the principal or redemption price, if applicable, and interest due or to become due on all Bonds, at the times and in the manner stipulated therein and in the Indenture, then the pledge and lien created by the Indenture for all Bonds shall be discharged and satisfied. If the Authority shall pay the principal or redemption price, if applicable, and interest due and to become due on all Bonds of a particular series or maturity within a series at the times and in the manner stipulated therein and in the Indenture, then the pledge and lien created by the Indenture for such Bonds shall thereupon be discharged, and satisfied. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust at or prior to their maturity or redemption dates shall be deemed to have been paid if, among other things, the Authority shall have delivered to the Trustee either moneys in an amount which shall be sufficient or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Federal Securities"), the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or redemption price, if applicable, of and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be. Federal Securities and moneys so deposited with the Trustee shall be held in trust for the payment of the principal or redemption price, if applicable, of and interest on said Bonds.

[17] The Bonds do not represent or constitute a debt of the Authority or of the State of Illinois within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit of the Authority or the State of Illinois or the grant to the Registered Owners thereof of any right to have the Authority or the General Assembly of the State of Illinois levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are payable solely from the revenues and sources authorized under the Act and pledged for their payment in accordance with the Indenture. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or on the Indenture against any past, present or future member, officer, employee or agent of the Authority, or any successor, public body or person executing the Bonds, either directly or through the Authority, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of the Bonds.

[18] The Registered Owner of this 1985 Series Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. If an event of default (as defined in the Indenture) occurs, the principal of all Bonds issued under the Indenture may be declared due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

[19] Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT — _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to
Minors Act

(State)

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as
tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Please insert Social Security or other identifying number of Assignee)

the within 1985 Series Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said 1985 Series Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within 1985 Series Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

#1:193136.8 3/9/99 5:01 PM