

In the opinion of Co-Bond Counsel, under existing law, interest on the Bonds is not excludable from gross income for federal income tax purposes. In the opinion of Co-Bond Counsel, under existing law, the Bonds are exempt from personal property taxes in Pennsylvania, and the interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See “TAX MATTERS” herein.



\$288,675,000
PENNSYLVANIA TURNPIKE COMMISSION
SPECIAL OBLIGATION BONDS (FEDERALLY TAXABLE),
SERIES 2014

DATED: Date of Delivery**DUE: See inside cover**

The Pennsylvania Turnpike Commission Special Obligation Bonds (Federally Taxable), Series 2014 (the “*Bonds*”), are being issued pursuant to that certain Trust Indenture dated as of September 1, 2014 (the “*Indenture*”) between the Pennsylvania Turnpike Commission (the “*Commission*”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), all pursuant to, among other things, an Act of the General Assembly of Pennsylvania approved July 18, 2007, PL. 169, No. 44 (“*Act 44*”), the Act of November 25, 2013, P.L. 974, No. 89 (“*Act 89*”), and various other acts of the General Assembly of Pennsylvania.

The Bonds will be dated the date of initial issuance and delivery thereof and will bear interest from their delivery date at the rates shown on the inside cover, calculated on the basis of a year of 360 days consisting of twelve 30-day months. The inside cover of this Official Statement contains information concerning the maturity schedule, principal amounts and interest rates of the Bonds. See “DESCRIPTION OF BONDS.”

The Bonds are deliverable in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Beneficial ownership interests in the Bonds will be recorded in book-entry only form in denominations of \$5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive bonds representing their beneficial ownership in the Bonds, but will receive a credit balance on the books of their respective DTC Participants or DTC Indirect Participants. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds will be paid to Cede & Co., as nominee of DTC, which will, in turn, remit such principal and interest to the Participants and Indirect Participants for subsequent disbursement to the Beneficial Owners, as described herein. The Bonds will be transferable or exchangeable to another nominee of The Depository Trust Company or as otherwise described herein. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly by the Escrow Agent as described herein. See “DESCRIPTION OF BONDS-Book-Entry-Only System”

THE BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION AND SHALL NOT BE DEEMED TO BE DEBT OF THE COMMONWEALTH OF PENNSYLVANIA (THE “COMMONWEALTH”), THE BONDS SHALL BE PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE) AND THE ESCROW FUND. THE FAITH AND CREDIT OF THE COMMONWEALTH OR ITS TAXING POWER ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST THEREON, AND THE COMMONWEALTH IS NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY PRINCIPAL OF OR INTEREST ON THE BONDS OR TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS. THE COMMISSION HAS NO TAXING POWER.

The Bonds are special, not general, obligations payable solely from certain money and securities pledged under the Indenture (the “*Trust Estate*”) and under an Escrow Deposit Agreement dated as of September 1, 2014 (the “*2014 Escrow Agreement*”) between the Commission and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (the “*Escrow Agent*”) which will be sufficient to pay when due the principal of and interest on the Bonds, as described in this Official Statement. A portion of the proceeds of the Bonds is being used to currently refund prior Commission bonds. See “APPLICATION OF PROCEEDS.” **The Bonds are payable solely from the securities and the investment earnings thereon that previously secured the bonds being refunded, and referred to below as “Released Escrow Amounts”. The Bonds are not secured by any other revenues or assets of the Commission.**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are being offered when, as and if issued and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, to certain legal matters being passed upon by Dilworth Paxson LLP, Philadelphia, Pennsylvania and Gonzalez Saggio & Harlan LLP, New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by Clark Hill PLC, Pittsburgh, Pennsylvania, Counsel for the Underwriters. Certain legal matters will be passed upon for the Commission by its Chief Counsel, Doreen A. McCall, Esquire. It is anticipated that the Bonds will be available for delivery in New York, New York on or about September 17, 2014.

WELLS FARGO SECURITIES

JEFFERIES

LOOP CAPITAL MARKETS

\$288,675,000
Pennsylvania Turnpike Commission
Special Obligation Bonds (Federally Taxable),
Series 2014

<u>Maturity</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP Number</u> <u>(70922P)[†]</u>
2014	\$15,815,000	0.120%	100.000%	AA0
2015	\$16,710,000	0.350%	100.000%	AB8
2016	\$16,785,000	0.787%	100.000%	AC6
2017	\$16,930,000	1.249%	100.000%	AD4
2018	\$17,160,000	1.699%	100.000%	AE2
2019	\$17,460,000	2.023%	100.000%	AF9
2020	\$17,835,000	2.323%	100.000%	AG7
2021	\$18,265,000	2.609%	100.000%	AH5
2022	\$18,760,000	2.829%	100.000%	AJ1
2023	\$19,320,000	2.929%	100.000%	AK8
2024	\$27,075,000	3.029%	100.000%	AL6
2025	\$27,930,000	3.129%	100.000%	AM4
2026	\$28,830,000	3.229%	100.000%	AN2
2027	\$29,800,000	3.329%	100.000%	AP7

[†] Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. These data are not intended to create a database and do not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The Commission, the Trustee, the Escrow Agent and the Underwriters do not assume any responsibility for the accuracy of such numbers or to update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

PENNSYLVANIA TURNPIKE COMMISSION

COMMISSIONERS

WILLIAM K. LIEBERMAN
Chairman

A. MICHAEL PRATT
Vice Chairman

PASQUALE T. DEON, SR.
Secretary/Treasurer

SEAN LOGAN
Commissioner

BARRY J. SCHOCH
Commissioner

MARK COMPTON
Chief Executive Officer

CRAIG R. SHUEY
Chief Operating Officer

NIKOLAUS H. GRIESHABER
Chief Financial Officer

BRADLEY J. HEIGEL
Chief Engineer

DOREEN A. MCCALL
Chief Counsel

RAY A. MORROW
Chief Compliance Officer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
Trustee and Escrow Agent

PUBLIC FINANCIAL MANAGEMENT, INC.
Financial Advisor

SUMMARY OF TERMS

The Commission has prepared this Summary of Terms to describe the specific terms of the Bonds. The information in this Official Statement provides a more detailed description of matters relating to the Commission and to the Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Bonds being offered.

Issuer	Pennsylvania Turnpike Commission, an instrumentality of the Commonwealth of Pennsylvania.	
Bonds Being Offered.....	Special Obligation Bonds (Federally Taxable), Series 2014.	
Purpose of Issue.....	The Bonds are being issued to (i) currently refund certain Commission bonds that were previously escrowed to maturity (with a retention of call rights) and were originally issued to finance Commission projects for the Mon-Fayette Expressway and Southern Beltway sections of the Pennsylvania Turnpike (the "System"), (ii) provide funds for certain capital improvements to the Mon-Fayette Expressway and Southern Beltway sections of the System and (iii) pay costs of issuing the Bonds.	
Maturities and Rates	The Bonds mature on the dates and bear interest at the rates shown on the inside cover.	
Denominations.....	\$5,000 and integral multiples of \$5,000 ("Authorized Denominations").	
Interest Payment Dates	June 1 and December 1, commencing December 1, 2014.	
Redemption.....	The Bonds are not subject to redemption prior to maturity.	
Sources of Payment and Security	Direct obligations of the United States of America and the interest thereon held in the Escrow Fund, all as described herein.	
Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.	
Trustee and Escrow Agent.....	The Bank of New York Mellon Trust Company, N.A.	
Co-Bond Counsel	Dilworth Paxson LLP and Gonzalez Saggio & Harlan LLP	
Tax Status	See "TAX MATTERS" herein.	
Rating	<u>Rating Agency</u>	<u>Rating</u>
	Moody's:	Aaa (Stable Outlook)
	See "RATING" herein.	
Financial Advisor	Public Financial Management, Inc., Philadelphia, Pennsylvania.	
Underwriters	See cover page. Wells Fargo Securities is the representative of the Underwriters for the Bonds.	
Underwriters' Discount	See "UNDERWRITING" herein.	
Verification Agent	PFM Asset Management LLC, Harrisburg, Pennsylvania.	
Counsel to the Underwriters	Clark Hill PLC, Pittsburgh, Pennsylvania.	

No dealer, broker, salesman or other person has been authorized by the Commission or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any or either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Commission and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as representations by, the Underwriters. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

The Bonds are not and will not be registered under the Securities Act of 1933, or under any state securities laws, and the Indenture has not been and will not be qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom. Neither the United States Securities and Exchange Commission (the “SEC”) nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement.

The Underwriters have provided the following sentences for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of this final Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

No quotations from or summaries or explanations of provisions of law and documents herein purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the securities described herein. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof, summary of terms, list of officials, this page and the Appendices attached hereto are part of this Official Statement.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such forward-looking statements speak only as of the date of this Official Statement. The Commission disclaims any obligation or undertaking to release publicly any updates or revision to any forward- looking statement contained herein to reflect any changes in the Commission’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE COMMISSION RESERVES THE RIGHT TO INCREASE THE SIZE OF THIS OFFERING SUBJECT TO PREVAILING MARKET CONDITIONS.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF

RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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OFFICIAL STATEMENT

\$288,675,000

SPECIAL OBLIGATION BONDS (FEDERALLY TAXABLE), SERIES 2014

INTRODUCTION

Pennsylvania Turnpike Commission

The Commission is an instrumentality of the Commonwealth existing pursuant to an Act of the General Assembly of Pennsylvania approved on July 18, 2007, P. L. 169, No. 44 (“Act 44”) and various Acts of the General Assembly approved on several dates, including the Act of May 21, 1937, P. L. 774; the Act of May 24, 1945, P. L. 972; the Act of February 26, 1947, P. L. 17; the Act of May 23, 1951, P. L. 335; the Act of August 14, 1951, P. L. 1232; the Act of September 30, 1985, P. L. 240, No. 61 (“Act 61”), to the extent not repealed by Act 44, and the Act of November 25, 2013, P.L. 794, No. 89 (“Act 89”) (collectively, the “Enabling Acts”). Pursuant to the Enabling Acts, the Commission has the power to construct, operate and maintain the Pennsylvania Turnpike System. The Commission’s composition, powers, duties, functions, duration and all other attributes are derived from the Enabling Acts. The Enabling Acts may be modified, suspended, extended or terminated at any time by further legislation.

The Commission is composed of five members, including one *ex officio* member, the Secretary of Transportation of the Commonwealth of Pennsylvania. Any vacancy in the membership of the Commission (other than the Secretary of Transportation) must be filled by appointment of the Governor, with the advice and consent of two-thirds of the members of the Pennsylvania Senate. Act 89 enacted additional provisions pertaining to membership of the Commission. The term of confirmed members of the Commission (other than the Secretary of Transportation) is a period of four years and members may serve a maximum of two terms. Upon the expiration of a term, a member may continue to hold the office of Commissioner for a period of 90 days or until his or her successor is appointed and qualified, whichever is less. The limitations on Commissioner terms under Act 89 are not applicable to any current member of the Commission.

The present members of the Commission and the expiration dates of their respective terms (which, in each case, would be extended until reappointment or until a successor is appointed and confirmed) are as follows:

William K. Lieberman is the current Chairman of the Commission. He was appointed to serve as a Commissioner on July 1, 2010. Mr. Lieberman has been President of The Lieberman Companies, an insurance and pension provider, since 2003. He serves on the boards of AMPCO Pittsburgh and GENCO-ATC. A graduate of The Pennsylvania State University, he is a University of Pittsburgh Trustee and former Chairman of the Manchester-Bidwell Corp., Pittsburgh, Pennsylvania. His term expired on July 1, 2014, but he continues to serve as a Commissioner for an indefinite term until he is reappointed or his successor is appointed and confirmed.

A. Michael Pratt, Esq. is the current Vice Chairman of the Commission. He is a partner in the law firm of Pepper Hamilton LLP and was originally named to the Commission in June 2009, becoming the first African-American Commissioner in the Commission’s 70-year history. Mr. Pratt joined Pepper Hamilton LLP in 1986 and is a partner in the firm’s Philadelphia and Harrisburg offices, as well as the first African-American

member of the firm’s executive committee. He is an active member of the Philadelphia, Pennsylvania, and American Bar Associations and has served as the Chancellor of the Philadelphia Bar Association and President of the Barristers’ Association of Philadelphia, an organization of African-American lawyers. He received a B.A. in Economics and English from Washington & Jefferson College, Washington, Pennsylvania, in 1981

and earned a law degree from Harvard Law School in 1985. His term expired on June 24, 2013, but he continues to serve as Commissioner for an indefinite term until he is reappointed or a successor is appointed and confirmed.

Pasquale T. Deon, Sr., an established businessman and lifelong resident of Bucks County, Pennsylvania, is the current Secretary-Treasurer of the Commission. Mr. Deon has served as a member of the Commission since 2002. Mr. Deon is Chairman of the Board of Directors of the Southeastern Pennsylvania Transportation Authority (SEPTA). He is also a service-industry entrepreneur involved in real-estate development, beverage distribution and construction services. He is the owner of WBCB-1490AM Radio, Levittown, Pennsylvania. His term will expire on December 10, 2017.

Sean F. Logan, is currently the Executive Director/CEO of the Convention and Visitors Bureau of Greater Monroeville. He was appointed to the Commission in July 2013. He is also a former Vice President of Community Relations for the University of Pittsburgh Medical Center. Mr. Logan is a former state Senator, having served from January 2001 until August 2010. Prior to his service in the Pennsylvania Senate, Mr. Logan served as the Mayor of Monroeville from 1997 to 2000. His term expires on June 30, 2017.

Barry J. Schoch, P.E. is the Secretary of Transportation of the Commonwealth of Pennsylvania and an *ex officio* member of the Commission. Mr. Schoch was nominated by Governor Tom Corbett to be the Secretary of Transportation, and his nomination was confirmed by the state Senate on April 12, 2011. Mr. Schoch, a graduate of The Pennsylvania State University, has more than 25 years of experience in the engineering field. He began his career with the Delaware Department of Transportation and worked for two private-sector firms before joining McCormick Taylor Inc., a Philadelphia-based engineering-consulting firm, in 1995. He was Vice President for McCormick Taylor and Manager of its Harrisburg office Engineering Department when he was confirmed as Secretary of Transportation.

The Executive Personnel are as follows:

Mark P. Compton assumed the position of Chief Executive Officer of the Commission on February 1, 2013. Mr. Compton previously served as Deputy Secretary of Administration of PennDOT, overseeing eight bureaus within the agency, including: human resources, information systems governance, business solutions and services, infrastructure and operations, and fiscal management. Before joining PennDOT, Mr. Compton served as Director of Government Affairs for all four companies of American Infrastructure, a heavy civil construction company headquartered in Worcester, Pennsylvania. Prior to that, he worked in various public and private operations, focusing largely on transportation, construction and economic development.

Craig R. Shuey is the Chief Operating Officer of the Commission. He joined the Commission in August 2009 as Director of Government Affairs and was named Chief Operating Officer in January 2011. Mr. Shuey served as Acting Chief Executive Officer from October 31, 2012 to February 1, 2013. Prior to joining the Commission, Mr. Shuey was executive director of the Pennsylvania Senate Transportation Committee from 2001 to 2009. He also served as a representative on the Senate Transportation Commission and on various advisory committees in areas such as air, rail, freight movement and safety.

Nikolaus H. Grieshaber was named Chief Financial Officer in June 2008. Prior to that, he held positions of Director of Treasury Management and Treasury Manager with the Commission. Before joining the Commission in 2000, he was a finance manager and portfolio manager for ADP Capital Management, assistant treasurer for BTR Dunlop Finance, cash manager for Silo, Inc. and investment analyst for American Life Insurance Company.

Bradley J. Heigel, P.E., was named Chief Engineer in April 2012. He was previously employed by the Commission from 1990 to 2010, and served as the Total Reconstruction Program Manager from 2000 to 2010. From 2010 to 2012, he was employed as a Vice President with Michael Baker, Jr., Inc., an engineering unit of Michael Baker Corporation.

Doreen A. McCall, Esq., has been the Chief Counsel since July 2005. Prior to that time, she served as Chief Counsel to the Pennsylvania Historical and Museum Commission from February 2003 to July 2005 and as Deputy General Counsel in the Governor's Office of General Counsel from April 2000 to January 2003. From September 1996 to April 2000, she was an Assistant General Counsel and from November 1993 to August 1996, she was a staff attorney in the Office of Inspector General.

Ray A. Morrow, was named the Chief Compliance Officer on July 11, 2014 following the resignation of the former Chief Compliance Officer on April 3, 2014. Mr. Morrow joined the Commission on January 2, 2014. Prior to joining the Commission, Mr. Morrow had an extensive career with the Federal Bureau of Investigation (FBI) from 1977 to 2007. Mr. Morrow served as a Senior Compliance Investigator for the Siemens Corporation from 2010-2013.

The Commission files annual and other information with EMMA. For informational purposes only, such information can be accessed at <http://emma.msrb.org>. None of the information filed by the Commission with EMMA is incorporated by specific reference into this Official Statement.

Pennsylvania Turnpike System

The present Pennsylvania Turnpike System is composed of the following: (i) the 359 mile Turnpike Mainline traversing the southern portion of Pennsylvania from east to west; (ii) the 110 mile north-south section identified as the Northeast Extension; (iii) the approximately 16 mile north-south connection, known as the Beaver Valley Expressway which intersects the Turnpike Mainline in the southwestern portion of the Commonwealth; (iv) the approximately 13 mile Amos K. Hutchinson Bypass, which adjoins the Turnpike Mainline near the New Stanton Interchange; (v) completed segments of the Mon/Fayette Expressway project totaling approximately 48 miles; and (vi) a six mile Southern Beltway project from PA 60 to US 22, near the Greater Pittsburgh International Airport. Such roads, together with any other roads for which the Commission has operational responsibility and is collecting Tolls (as defined below), presently constitute the "System."

The Turnpike Mainline connects with the Ohio Turnpike at its western terminus and with the New Jersey Turnpike at its eastern terminus. The Turnpike Mainline commences on the eastern boundary of Pennsylvania at the Delaware River Bridge which connects the System to the New Jersey Turnpike. The Turnpike Mainline traverses the state in a westerly direction generally paralleling the southern border of the state immediately north of Philadelphia and south of Harrisburg to the vicinity of Somerset. West of Somerset, the highway follows a northwesterly direction to the northeast of Pittsburgh and to the Ohio state line, south of Youngstown, Ohio.

The System has a total of 67 interchanges which connect it with major arteries and population centers in its 552 mile traffic corridor. Thirty-two of the interchanges are located on the Turnpike Mainline, including barriers at the New Jersey and Ohio state lines, and 10 interchanges are situated on the Northeast Extension. The additional 25 interchanges are located on the three extensions previously noted. There are 17 service plazas along the System providing gasoline and diesel fuel, other automotive supplies and services, and restaurant services.

Indenture

The Bonds are being issued pursuant to that certain Trust Indenture dated as of September 1, 2014 (the "*Indenture*") between the Commission and the Trustee, all pursuant to, and as authorized by the Enabling Acts and a Resolution adopted by the Commission on August 5, 2014. See Appendix C-Form of Indenture.

Security

THE BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION AND SHALL NOT BE DEEMED TO BE DEBT OF THE COMMONWEALTH. THE BONDS SHALL BE PAYABLE

SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE) AND THE ESCROW FUND. THE FAITH AND CREDIT OF THE COMMONWEALTH OR ITS TAXING POWER ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST THEREON, AND THE COMMONWEALTH IS NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY PRINCIPAL OF OR INTEREST ON THE BONDS OR TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS. THE COMMISSION HAS NO TAXING POWER.

This Official Statement does not contain any information about the financial condition or results of operations of the Commission. The Bonds are offered solely on the basis of the securities on deposit under the Indenture and the 2014 Escrow Agreement and the investment earnings thereon, and are not offered on the basis of the credit of the Commission or any other security.

All statements in this Official Statement involving matters of opinion, estimates, forecasts, projections or the like, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

THIS OFFICIAL STATEMENT PROVIDES CERTAIN INFORMATION CONCERNING THE BONDS AS OF THE DATE OF THIS OFFICIAL STATEMENT. OWNERS AND PROSPECTIVE PURCHASERS OF THE BONDS SHOULD NOT RELY ON THIS OFFICIAL STATEMENT FOR INFORMATION CONCERNING THE BONDS ON AND AFTER ANY SUCH DATE, BUT SHOULD LOOK TO ANY REVISIONS, AMENDMENTS, SUPPLEMENTS OR SUBSTITUTIONS HEREOF FOR INFORMATION CONCERNING THE BONDS ON OR AFTER ANY SUCH DATE.

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APPLICATION OF PROCEEDS

The Commission entered into an Escrow Deposit Agreement dated as of July 15, 2003 (the "2003 Escrow Agreement") between the Commission and The Bank of New York Mellon Trust Company, N.A. (successor to National City Bank of Pennsylvania), as escrow agent, pursuant to which certain of the Commission's Oil Franchise Tax Senior Revenue Bonds, Series A of 1998 and Oil Franchise Tax Revenue Subordinated Bonds, Series B of 1998 (collectively, the "1998 Bonds") were defeased and escrowed to maturity subject to the retention by the Commission of the right to call and redeem the 1998 Bonds prior to their respective maturity dates. The 1998 Bonds that were defeased and escrowed to maturity (the "Refunded Bonds") are identified on Appendix B hereto. As of the date of this Official Statement, the Refunded Bonds are secured by, and payable from, certain securities (the "Released Escrow Securities") and cash (the Released Escrow Securities and the cash being herein referred to as the "Released Escrow Amounts") that are on deposit with the escrow agent pursuant to the 2003 Escrow Agreement.

The Released Escrow Securities consist of U.S. Treasury Securities – State and Local Government Series (SLGS), which are direct obligations of the United States of America.

The Bonds are being issued (a) to currently refund the Refunded Bonds on or about September 17, 2014 (the "Redemption Date"), at a price equal to the principal amount thereof and interest accrued to the Redemption Date, (b) to provide additional funds to the Commission for the construction of part of the sections of the System known as the Mon-Fayette Expressway and Southern Beltway in an amount of approximately \$33,580,000, and (c) for the payment of costs of issuing the Bonds.

On the date of execution and delivery of the Bonds, the escrow agent under the 2003 Escrow Agreement will release the Released Escrow Amounts from the lien and pledge of the 2003 Escrow Agreement and transfer the Released Escrow Amounts to the Trustee for deposit into the Debt Service Fund established under the Indenture, and the Trustee will, promptly after receipt thereof and the deposit in the Debt Service Fund, irrevocably transfer the Released Escrow Amounts to The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") for deposit into an Escrow Fund (the "Escrow Fund") established under the 2014 Escrow Agreement to provide for the payment of principal of and interest on the Bonds. For a copy of the 2014 Escrow Agreement, see Appendix A to the Form of Indenture set forth as Appendix C to this Official Statement.

Each of the Debt Service Fund and the Escrow Fund is a special and irrevocable trust fund to be held by the Trustee or the Escrow Agent, as applicable, separate and apart from all other funds of the Commission, the Trustee or the Escrow Agent. The deposit of the Released Escrow Amounts in the Escrow Fund constitutes an irrevocable deposit of such amounts in trust solely for the payment of the principal and interest on the Bonds on the interest payment dates and maturity dates thereof and the principal of and interest earnings on such Released Escrow Amounts shall be used solely for such purposes. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

The Commission does not have any claim against, or receive any moneys from the Released Escrow Amounts or the amounts on deposit in the Debt Service Fund or the Escrow Fund until after the payment in full of the principal and interest on the Bonds.

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DESCRIPTION OF BONDS

General

Record Date. The Record Date for the payment of principal of and interest on the Bonds shall be the fifteenth day of the calendar month immediately preceding an Interest Payment Date, as defined below.

Interest Payments. The Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the inside cover of this Official Statement. Interest will be paid on each June 1 and December 1 (each an "Interest Payment Date"), beginning December 1, 2014.

Transfers and Exchanges. So long as DTC is the securities depository for the Bonds, it will be the sole registered owner of the Bonds, and transfers of ownership interests in the Bonds will occur through the DTC Book-Entry-Only System.

Trustee. The Bank of New York Mellon Trust Company, N.A. is Trustee with respect to the Bonds.

Escrow Agent. The Bank of New York Mellon Trust Company, N.A. is Escrow Agent with respect to the Bonds.

Redemption Prior to Maturity

The Bonds are not subject to redemption prior to maturity.

Debt Service on the Bonds and Escrow Sufficiency

Table 1 sets forth, on an annual cash basis, the future receipts from the Released Escrow Amounts and the debt service on the Bonds.

Table 1
Debt Service and Escrow Sufficiency
(in thousands)⁽¹⁾

<u>Maturity Date</u> <u>(December 1)</u>	<u>Future Receipts</u> <u>From Released</u> <u>Escrow Amounts</u> ⁽²⁾	<u>Principal</u>	<u>Total Debt Service</u> ⁽³⁾	<u>Excess Receipts</u>	<u>Cumulative Excess</u> <u>Receipts</u>
2014	\$17,186.10	\$15,815.00	\$17,186.10	\$0.00	\$0.00
2015	23,361.24	16,710.00	23,361.24	(0.00)	0.00
2016	23,377.76	16,785.00	23,377.76	0.00	0.00
2017	23,390.66	16,930.00	23,390.66	0.00	0.00
2018	23,409.20	17,160.00	23,409.20	(0.00)	0.00
2019	23,417.65	17,460.00	23,417.65	-	0.00
2020	23,439.44	17,835.00	23,439.44	0.00	0.00
2021	23,455.13	18,265.00	23,455.13	(0.00)	0.00
2022	23,473.60	18,760.00	23,473.60	0.00	0.00
2023	23,502.88	19,320.00	23,502.88	(0.00)	0.00
2024	30,691.99	27,075.00	30,691.99	(0.00)	0.00
2025	30,726.89	27,930.00	30,726.89	0.00	0.00
2026	30,752.96	28,830.00	30,752.96	(0.00)	0.00
<u>2027</u>	<u>30,792.81</u>	<u>29,800.00</u>	<u>30,792.04</u>	<u>0.77</u>	<u>0.77</u>
TOTAL	\$350,978.31	\$288,675.00	\$350,977.55	\$0.77	-

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ The future receipts from Released Escrow Amounts assume the future investment of certain amounts at a zero percent (0%) interest rate.

⁽³⁾ Includes all interest payments for each calendar year.

Book-Entry-Only System

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 120 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners

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

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

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Commission or the Trustee on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Commission believes to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the Trustee or the Commission.

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SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are special obligations of the Commission, payable solely from the money pledged for payment under the Indenture and the Released Escrow Amounts deposited under the 2014 Escrow Agreement. They are not the Commission's general obligation nor are they payable from any revenue source of the Commission. See Form of Indenture as set forth in Appendix C hereto.

THE BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION AND SHALL NOT BE DEEMED TO BE DEBT OF THE COMMONWEALTH. THE BONDS SHALL BE PAYABLE SOLELY FROM THE TRUST ESTATE AND THE ESCROW FUND. THE FAITH AND CREDIT OF THE COMMONWEALTH OR ITS TAXING POWER ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST THEREON, AND THE COMMONWEALTH IS NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY PRINCIPAL OF OR INTEREST ON THE BONDS OR TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS. THE COMMISSION HAS NO TAXING POWER.

This Official Statement does not contain any information about the financial condition or results of operations of the Commission. The Bonds are offered solely on the basis of the securities on deposit under the Indenture and the 2014 Escrow Agreement and the investment earnings thereon, and are not offered on the basis of the credit of the Commission or any other security.

Pledge Effected by the Indenture

The Indenture provides that there are pledged to the payment of principal of, and interest on, the Bonds in accordance with their terms and the provisions of the Indenture the following, referred to as the "trust estate":

- the proceeds of the sale of the Bonds, until those proceeds are paid out for an authorized purpose;
- the Released Escrow Amounts and any money received by the Trustee in respect thereof; and
- the Clearing Fund and the Debt Service Fund and the moneys and investments on deposit therein from time to time.

In addition, the Indenture provides that the Released Escrow Amounts shall be irrevocably transferred to the Escrow Agent for deposit into the Escrow Fund created pursuant to the 2014 Escrow Agreement to secure the payment of principal of, and interest on the Bonds in accordance with their terms. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS".

Under the Indenture the Bonds are not subject to acceleration upon the occurrence of an Event of Default, as defined in the Indenture. See Appendix C – Form of Indenture.

Flow of Funds

The Indenture creates the following funds held by the Trustee:

- Debt Service Fund; and

- Clearing Fund.

The 2014 Escrow Agreement creates the following fund held by the Escrow Agent:

- Escrow Fund.

The Indenture requires the Trustee, promptly upon receipt of the Released Escrow Amounts, to deposit the Released Escrow Amounts to the credit of the Debt Service Fund, and to promptly thereafter irrevocably transfer the Released Escrow Amounts to the Escrow Agent for deposit into the Escrow Fund. Amounts in the Escrow Fund will be applied on each interest payment date as follows:

- the interest due on all Outstanding Bonds on such interest payment date; and
- the principal and Sinking Fund payments due on all Outstanding Bonds on such interest payment date.

The Debt Service Fund is a special and irrevocable trust fund to be held by the Trustee. Promptly upon the receipt thereof in the Debt Service Fund, the Trustee will irrevocably transfer the Released Escrow Amounts to the Escrow Agent for deposit into the Escrow Fund.

Separate and apart from the Debt Service Fund and the Trust Estate, the Escrow Fund is a special and irrevocable trust fund to be held and maintained by the Escrow Agent pursuant to the 2014 Escrow Agreement. The deposit of the Released Escrow Amounts in the Escrow Fund constitutes an irrevocable deposit of such amounts in trust solely for the payment of the principal of and interest on the Bonds.

TAX MATTERS

General

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Bonds. The summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “*Code*”), the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding the Bonds as part of a hedging, conversion or integrated transaction or a straddle, persons deemed to sell Bonds under the constructive sale provisions of the Code, or persons whose functional currency is not the United States dollar. This summary does not apply to holders other than original purchasers except where otherwise specifically noted. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Bonds.

The Commission has not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

See Appendix A to this Official Statement for the form of the opinion that Co-Bond Counsel expects to deliver when the Bonds are delivered.

U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust, if (i) a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in place under applicable Treasury Regulations to be treated as a domestic trust. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Bonds.

Generally

Interest on the Bonds is not excluded from gross income for federal income tax purposes under Code section 103 and will be fully subject to federal income taxation. U.S. Holders will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Bonds. In general, interest paid on the Bonds and any accrued original issue discount and market discount will be treated as ordinary income to a U.S. Holder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder’s basis in the Bonds and capital gain to the extent of any excess received over such basis.

Market Discount

A Bond will be treated as acquired at a market discount (a “*market discount bond*”) if the amount for which a U.S. Holder purchased the Bond is less than the Bond’s adjusted issue price, unless such difference is less than a specified *de minimis* amount. In general, any payment of principal or any gain recognized on the maturity or disposition of a market discount bond will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on the Bond. Alternatively, a U.S. Holder of a market discount bond may elect to include market discount in income currently over the life of the market discount bond. That election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If an election is made to include market discount in income currently, the tax basis of the Bond in the hands of the U.S. Holder will be increased by the market discount thereon as such discount is included in income.

Market discount generally accrues on a straight-line basis unless the U.S. Holder elected to accrue such discount on a constant yield-to-maturity basis. That election is applicable only to the market discount bond with respect to which it is made and is irrevocable. A U.S. Holder of a market discount bond that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the Bond in an amount not exceeding the accrued market discount on such Bond until maturity or disposition of the Bond.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

Bond Premium

A U.S. Holder who purchases a Bond at a cost greater than its remaining redemption amount will have “amortizable bond premium” equal in amount to the excess. If the U.S. Holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Bonds held by the U.S. Holder on the first day of the taxable year to which the election applies and to all Bonds thereafter acquired by the U.S. Holder and may be revoked only with the IRS’s consent), the U.S. Holder must amortize the premium over the remaining term of the Bond using constant-yield principles. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in the tax basis of a Bond is required for amortizable bond premium that is applied to reduce interest payments. U.S. Holders who acquire Bonds at a premium should consult with their own tax advisors with respect to state and local tax consequences of owning such Bonds.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. Holder’s “net investment income” (or “undistributed net investment income” in the case of an estate or trust) for the taxable year and (2) the excess of the U.S. Holder’s modified adjusted gross income for the taxable year over a certain threshold. A U.S. Holder’s net investment income will generally include its interest income and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. Holder that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the Medicare tax.

Sale or Redemption of Bonds

A U.S. Holder’s tax basis in a Bond is generally the price paid for the Bond plus the amount of original issue discount and market discount previously included in income and reduced by any payments received on the Bond other than “qualified stated interest” and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Bond, measured by the difference between the amount realized and the Bond adjusted tax basis, will generally give rise to capital gain or loss if the Bond is held as a capital asset (except in the case of Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of the Bonds are materially modified, in certain circumstances, a new debt obligation will be deemed to be issued and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. The defeasance of the Bonds may also result in a deemed sale or exchange of such Bonds under certain circumstances.

EACH POTENTIAL U.S. HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON A SALE OR REDEMPTION OF THE BONDS, AND (2) THE CIRCUMSTANCES IN WHICH BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Information Reporting and Backup Withholding

In general, a U.S. Holder that is not an “exempt recipient” will be subject to U.S. federal backup withholding at the applicable rate (currently 28%) with respect to payments on the Bonds and the proceeds of a sale, exchange, redemption or other taxable disposition of the Bonds, unless the U.S. Holder provides its taxpayer identification number to the paying agent and certifies, under penalties of perjury, that it is not subject to backup withholding on Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) or a suitable substitute form and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder may be allowed as a credit against such U.S. Holder’s U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided the required information is furnished to the Internal Revenue Service in a timely manner. In addition, payments on the Bonds made to, and the proceeds of a sale or other taxable disposition by, a U.S. Holder that is not an exempt recipient generally will be subject to information reporting requirements.

Foreign Account Tax Compliance Act

Legislation incorporating provisions referred to as the Foreign Account Tax Compliance Act (“FATCA”) imposes U.S. withholding tax on U.S.-source interest payments made after June 30, 2014, and proceeds of the sale of obligations that can produce U.S.-source interest for amounts paid after December 31, 2016, to certain foreign financial institutions, investment funds and non-financial foreign entities if certain U.S. information reporting and due diligence requirements (generally related to U.S. accounts or ownership) are not satisfied. *The Commission will not be obligated to pay any additional amounts to “gross up” payments to the holders or beneficial owners of the Bonds as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Bonds.*

Non-U.S. Holders

NON-U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE POSSIBLE APPLICABILITY OF UNITED STATES WITHHOLDING AND OTHER TAXES UPON INCOME REALIZED IN RESPECT OF THE BONDS.

State Taxes

In the opinion of Co-Bond Counsel, under existing law, interest on the Bonds is exempt from personal property taxes in Pennsylvania and the interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

Considerations for ERISA and Other U.S. Benefit Plan Investors

The Employee Retirement Income Security Act of 1974, as amended (ERISA), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA (ERISA Plans). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein (Qualified Retirement Plans), and on Individual Retirement Accounts (IRAs) described in Section 408(b) of the Code (collectively, Tax-Favored Plans). Certain employee benefit plans such as

governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements. Additionally, such governmental and non-electing church plans are not subject to the requirements of Section 4975 of the Code. Accordingly, assets of such plans may be invested in the Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of applicable federal, state and local law.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, Benefit Plans) and persons who have certain specified relationships to the Benefit Plans (Parties In Interest or Disqualified Persons), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) a fiduciary with respect to a plan; (2) a person providing services to a plan; and (3) an employer or employee organization any of whose employees or members are covered by the plan. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available.

Certain transactions involving the purchase, holding or transfer of the Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Commission were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the Plan Assets Regulation), the assets of the Commission would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 of the Code only if the Benefit Plan acquires an "equity interest" in the Commission and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Bonds, including the reasonable expectation of purchasers of Bonds that the Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the Bonds for ERISA purposes could change subsequent to issuance of the Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Bonds or a characterization of the Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Bonds or any interest therein by a Benefit Plan Investor is prohibited.

However without regard to whether the Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Commission or the Issuing and Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (PTCE) 96-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and

PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a Plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Bond (or interest therein) with the assets of a Benefit Plan Investor, governmental plan or church plan; or (ii) the acquisition and holding of the Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. Benefit Plan Investors may not purchase the Bonds at any time that the ratings on the Bonds are below investment grade or the Bonds have been characterized as other than indebtedness for applicable local law purposes. A purchaser or transferee who acquires Bonds with assets of a Benefit Plan Investor represents that such purchaser or transferee has considered the fiduciary requirements of ERISA or other similar laws and has consulted with counsel with regard to the purchase or transfer.

Any ERISA Plan fiduciary considering whether to purchase the Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such in investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of any similar state or federal law.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of the mathematical computations of the adequacy of the outstanding maturing amount of principal and interest on the Released Escrow Amounts to pay, when due, the principal of and interest on the Bonds, will be verified by PFM Asset Management LLC.

[Remainder of page intentionally left blank]

RELATIONSHIP OF CERTAIN PARTIES

Public Financial Management, Inc., Financial Advisor, and its affiliate PFM Asset Management LLC are engaged to provide other services to the Commission. Clark Hill PLC, which is serving as Underwriters' Counsel in this transaction, provides legal services to the Commission in various matters from time to time including serving as Co-Bond counsel. Dilworth Paxson LLP, Co-Bond Counsel, has served as Disclosure Counsel to the Commission since 2012. Certain subsidiaries of Wells Fargo & Company (parent company of Wells Fargo Bank, National Association), representative for the Underwriters of the Bonds, have provided, from time to time, investment banking services to the Commission, for which they have received customary competition.

LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Commission taken with respect to the offer or sale thereof, or the pledge or application of any monies or security provided for the payment of the Bonds under the Indenture or the 2014 Escrow Agreement or the existence or powers of the Commission.

FINANCIAL ADVISOR

The Commission has retained Public Financial Management, Inc., Philadelphia, Pennsylvania, as Financial Advisor with respect to the authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake or assume responsibility for, nor has it undertaken or assumed responsibility for, an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

UNDERWRITING

The Underwriters for the Bonds, acting through Wells Fargo Securities, as Representative, have jointly and severally agreed, subject to certain conditions, to purchase from the Commission the Bonds at an aggregate purchase price of \$287,573,521.74 representing the aggregate principal amount of the Bonds, less an Underwriters' discount of \$1,101,478.26 and to reoffer such Bonds at the public offering prices or interest rates set forth on the inside cover.

The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriters.

The Underwriters' obligations to purchase the Bonds are subject to certain conditions precedent, and they will be obligated to purchase all such Bonds if any Bonds are purchased.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association (WFBNA). WFBNA, one of the Underwriters of the Bonds, has entered into an agreement (the WFBNA Distribution Agreement) with its affiliate, Wells Fargo Advisors, LLC (WFA), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFBNA Distribution Agreement, WFBNA will share a portion of its underwriting compensation, with respect to the Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC (WFSLLC) and Wells Fargo Institutional Securities, LLC (WFIS), for the distribution of municipal securities offerings, including the Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a

portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Loop Capital Markets LLC ("Loop Capital Markets"), one of the underwriters of the Bonds, has entered into distribution agreements (each a "Distribution Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Deutsche Bank Securities Inc. ("DBS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement (if applicable to this transaction), each of UBSFS and DBS will purchase Bonds from Loop Capital Markets at the original issue prices less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

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

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

RATING

Moody's Investors Service, Inc. ("*Moody's*") has assigned its municipal bond rating of "Aaa" (Stable Outlook) to the Bonds.

An explanation of the significance of such rating and any outlook may be obtained from: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Certain materials and information not included in this Official Statement may have been furnished to such rating agency. A rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by Moody's, if in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Except as provided in the Disclosure Undertaking (as defined herein), neither the Underwriters nor the Commission have undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed or actual change in or withdrawal of the rating or to oppose any proposed change or withdrawal.

LEGAL MATTERS

All legal proceedings in connection with the issuance of the Bonds being offered are subject to the approval of the nationally-recognized bond counsel firms identified on the cover page hereof and in the Summary of Terms. The form of the opinion of Co-Bond Counsel is Appendix A to this Official Statement.

Certain legal matters regarding the Commission will be passed upon by its Chief Counsel, Doreen A. McCall, Esquire. In addition, certain legal matters will be passed upon by counsel to the Underwriters as indicated in the Summary of Terms.

CONTINUING DISCLOSURE

The Commission will enter into a Continuing Disclosure Agreement for the benefit of the Registered Owners from time to time of the Bonds (the "Disclosure Undertaking") pursuant to Rule 15c2-12 promulgated by the SEC under the Securities Act of 1933, as amended (the "Rule").

Pursuant to the Disclosure Undertaking, the Commission will provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB"), via electronic transmissions pursuant to the MSRB's Electronic Municipal Market Access System ("EMMA"), accessible at <http://emma.msrb.org>, the following information and notices:

Within 180 days of the end of each fiscal year of the Commission commencing with the fiscal year ending May 31, 2014, annual financial information (collectively, the "Annual Financial Information"), consisting of: (i) the Commission's audited financial statements for such fiscal year; (ii) changes, if any, to Table 1 set forth under "DESCRIPTION OF THE BONDS – Debt Service on the Bonds"; and (iii) material litigation, if any, related to the Released Escrow Amounts. The Commission's audited financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied as in effect from time to time; provided, however, that the Commission reserves the right to change the basis upon which its audited financial statements are prepared at any time and from time to time. Should the Commission exercise its right to change the basis upon which its audited financial statements are prepared as provided in the immediately preceding sentence, it shall provide notice of any such accounting change to the MSRB via EMMA, which notice shall include a reference to the specific federal or state law or regulation requiring or permitting such accounting change and a description of such change. In the event that the Commission's audited financial statements are not available within 180 days of the close of the applicable fiscal year, the Annual Financial Information will contain unaudited financial statements and the audited financial statements will be provided for filing when available. The Commission has agreed pursuant to the Disclosure Undertaking to provide in a timely manner to the MSRB notice of a failure (of which the Commission has knowledge) to provide the required Annual Financial Information on or before the date specified above.

The agreement by the Commission pursuant to the Disclosure Undertaking to provide annual audited or unaudited financial statements should not be construed to mean that revenues of the Commission are pledged or otherwise available to pay principal or interest on the Bonds. The Bonds are payable solely from the Released Escrow Amounts. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS".

Notice of the occurrence of any of the following events with respect to the Bonds, within ten (10) business days after the occurrence of such event: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds; (vii) modifications to rights of holders of the Bonds, if material; (viii) optional or unscheduled Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar proceedings or events involving the Commission; (xiii) consummation of a merger, consolidation or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such

actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The foregoing fourteen (14) events are quoted from the Rule. The SEC requires the listing of the events listed in clauses (i) through (xiv) above, although some of such events may not be applicable to the Bonds. For example, the events listed in clauses (iii), (iv) and (v) are not applicable to the Bonds because there are no debt service reserves or credit or liquidity enhancement providing for the payment of the Bonds.

The Commission may amend the Disclosure Undertaking and waive any of the provisions thereof, but no such amendment or waiver shall be executed and effective unless: (i) the amendment or waiver is made in connection with a change in legal requirements, change in law or change in the identity, nature or status of the Commission or the governmental operations conducted by the Commission; (ii) the Disclosure Undertaking, as modified by the amendment or waiver, would have been the written undertaking contemplated by the Rule at the time of original issuance of the Bonds, taking into account any amendments or interpretations of the Rule; and (iii) the amendment or waiver does not materially impair the interests of the Registered Owners of the Bonds. Evidence of compliance with the foregoing conditions shall be satisfied by delivery to the Commission of an opinion of counsel having recognized skill and experience in the issuance of municipal securities and federal securities law to the effect that the amendment or waiver satisfies the conditions set forth in the preceding sentence. Notice of any amendment or waiver shall be filed by the Commission with the MSRB (via EMMA) and shall be sent to the Registered Owners of the Bonds.

The Disclosure Undertaking will recite that it is entered into for the benefit of the Registered Owners from time to time of the Bonds. For the purposes of the Disclosure Undertaking, for so long as the Bonds are registered in the name of DTC or its nominee, “*Registered Owner*” shall mean and include the holder of a book-entry credit evidencing an interest in the Bonds. Holders of book-entry credits may file their names and addresses with the Commission for the purposes of receiving notices or giving direction under the Disclosure Undertaking.

A default under the Disclosure Undertaking shall not be deemed to be a default under the Bonds or the Indenture, and the sole remedy to enforce the provisions of the Disclosure Undertaking shall be the right of any Registered Owner, by mandamus, suit, action or proceeding at law or in equity, to compel the Commission to perform the provisions and covenants contained in the Disclosure Undertaking.

The Disclosure Undertaking will terminate (1) upon payment in full of the Bonds, (2) upon repeal or rescission of Section (b)(5) of the Rule or (3) upon a final determination that Section (b)(5) of the Rule is invalid or unenforceable. A copy of the Disclosure Undertaking is on file at the principal office of the Commission.

During the five (5) year period preceding the date of this Official Statement, the Commission has complied in all material respects with all of its continuing disclosure requirements pursuant to the Rule with respect to its other series of bonds, except that notice of a change in trustee in April of 2012 was filed approximately 16 days late which late filing the Commission does not consider to be material.

TRUSTEE

The Bank of New York Mellon Trust Company, N.A., is the Trustee under the Indenture. The obligations and duties of the Trustee are as described in the Indenture. The Trustee has not evaluated the risks, benefits or propriety of any investment in the Bonds, makes no representation, and has reached no conclusions, regarding the validity of the Bonds, the security therefor, the adequacy of the provisions for payment thereof. The Trustee has relied upon the opinion of Co-Bond Counsel for the validity of the Bonds as well as other matters set out in that opinion. Furthermore, the Trustee has no oversight responsibility, and is not

accountable, for the use or application by the Commission of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Commission.

Under the terms of the Indenture, the Trustee is not responsible for any loss or damage resulting from any action or inaction taken in good faith in reliance upon an opinion of counsel and the Trustee is liable only for those damages caused by its negligence or willful misconduct. Under the Indenture, the Trustee is not required to take notice, and is not deemed to have notice, of any default under the Indenture (except with respect to failure to make debt service payments), unless an Authorized Officer of the Trustee shall have received written notice from a bondholder or the Commission or has actual notice thereof. All notices or other instruments required by the Indenture to be delivered to the Trustee must be delivered at the designated office of the Trustee. In the absence of any such notice, the Trustee may conclusively assume no Event of Default under the Indenture exists, except as expressly stated in the Indenture. The summary of the Trustee's rights, duties, obligations and immunities is not intended to be a complete summary and reference must be made to the Indenture for a complete statement of the Trustee's rights, duties, obligations and immunities.

MISCELLANEOUS

The information contained herein has been obtained from the Commission's records and other sources which are believed to be reliable. However, no guarantee is given that any of the assumptions, forecasts or estimates contained herein will be realized.

The references herein to the Enabling Acts, the Bonds, the Indenture, the 2014 Escrow Agreement, the Disclosure Undertaking are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and, accordingly, are qualified by reference and are subject to the full texts thereof. See Appendices C and D for forms of the Indenture and 2014 Escrow Agreement, respectively.

Neither this Official Statement nor any other disclosure in connection with the Bonds is to be construed as a contract with the holders of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates, whether or not expressly so identified, are intended merely as such and not as representations of fact. No representation is made that any of such statements will be realized.

The execution and delivery of this Official Statement by its Chief Financial Officer have been duly authorized by the Commission.

PENNSYLVANIA TURNPIKE COMMISSION

By: /s/ Nikolaus H. Grieshaber
Chief Financial Officer

APPENDIX A

FORM OF OPINION OF CO-BOND COUNSEL

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September 17, 2014

Pennsylvania Turnpike Commission
Harrisburg, PA

RE: \$288,675,000 Pennsylvania Turnpike Commission
Special Obligation Bonds,
(Federally Taxable), Series 2014

Ladies and Gentlemen:

We have acted as Co-Bond Counsel in connection with the issuance by the Pennsylvania Turnpike Commission (the "Commission") on the date hereof of \$288,675,000 aggregate principal amount of its Pennsylvania Turnpike Commission Special Obligation Bonds (Federally Taxable), Series 2014 (the "2014 Bonds"). The 2014 Bonds are being issued pursuant to a Resolution of the Commission dated August 5, 2014 (the "Resolution") and pursuant to and under the Trust Indenture dated as of September 1, 2014 (the "Indenture") by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture.

The 2014 Bonds are being issued by the Commission to provide funds to finance certain capital improvements to the Mon-Fayette Expressway/Southern Beltway as well as the current refunding of all of the Commission's Oil Franchise Tax Senior Revenue Bonds, Series A of 1998, currently outstanding in the principal amount of \$147,550,000, and its Oil Franchise Tax Subordinated Revenue Bonds, Series B of 1998, currently outstanding in the principal amount of \$102,390,000 (collectively, the "1998 Bonds").

In connection with the issuance of the 2014 Bonds, the Commission and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent") are entering into an Escrow Deposit Agreement dated as of September 1, 2014 (the "Escrow Agreement") pursuant to which an Escrow Fund (the "Escrow Fund") is being established to secure the 2014 Bonds. On the date hereof, the Commission shall cause certain securities and monies previously held in an escrow fund for the payment of the 1998 Bonds to be irrevocably transferred to the Escrow Agent to be applied to the payment of the principal of and interest on the 2014 Bonds as and when due.

We have examined (i) an executed copy of the Indenture, (ii) an executed copy of the Escrow Agreement, (iii) the form of the 2014 Bonds, and (iv) such constitutional and statutory provisions and such other resolutions, certificates, instruments and documents as we have deemed necessary or appropriate in order to enable us to render an informed opinion as to matters set forth herein.

In rendering the opinions set forth below, we have relied upon the genuineness, authenticity, truthfulness, completeness and due authorization of all documents, records and other instruments which we have examined and of the authenticity of all the signatures thereon. We have not undertaken to verify the factual matters set forth in any documents, records or other instruments by independent investigation. In addition, we have assumed that all documents submitted to us as copies conform to the originals thereof. We have also assumed that the documents referred to herein have been duly authorized by all parties thereto other than the Commission and are, where appropriate, legally binding obligations of, and enforceable in accordance with their terms against all parties, except the Commission, and that the actions required to be taken and consent required to be obtained by such parties, have or will be taken or obtained.

As to questions of fact material to our opinions, we have relied upon the representations of the Commission contained in the proceedings relating to the issuance of the 2014 Bonds and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, it is our opinion subject to the qualifications and limitations set forth herein, that:

1. The Commission is a validly existing instrumentality of the Commonwealth of Pennsylvania and has the power to enter into the transactions contemplated by the Indenture and to carry out its obligations thereunder.

2. The Indenture and the Escrow Agreement have each been duly authorized, executed and delivered by the Commission and each constitutes the valid and binding obligation of the Commission enforceable against it in accordance with its respective terms.

3. The 2014 Bonds have been duly and validly authorized and issued by the Commission and constitute the valid and binding limited obligations of the Commission enforceable against it in accordance with their terms, payable from the Trust Estate and the Escrow Fund.

4. The 2014 Bonds are exempt from personal property taxes in Pennsylvania and the interest on the 2014 Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. This opinion is rendered on the basis of the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof.

We call to your attention that interest on the Bonds is includible in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions.

Our opinions set forth above as to the enforceability of the 2014 Bonds, the Indenture and the Escrow Agreement are subject to applicable bankruptcy, reorganization, moratorium, insolvency or other laws affecting creditors' rights or remedies generally (including, without limitation, laws relating to fraudulent conveyances or transfers) and are subject to general

To: Pennsylvania Turnpike Commission

September 17, 2014

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principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

These opinions are rendered on the basis of the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs above.

The opinions set forth herein are given solely for your benefit and may not be relied on by any other person or entity without our express prior written consent. The opinions set forth herein are given solely as of the date hereof, and we do not undertake to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

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APPENDIX B

REFUNDED BONDS

The Refunded Bonds shown below are expected to be refunded on September 17, 2014 at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued to the redemption date; the refunding is contingent upon the delivery of the Bonds.

<u>Oil Franchise Senior Revenue Bonds Series</u>	<u>Maturity Date (December 1)</u>	<u>Outstanding Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number (Base #709221)</u>
1998A	2014	\$ 5,870,000	5.25%	HE8
1998A	2015	6,180,000	5.00	HF5
1998A	2016	6,500,000	5.125	HG3
1998A	2017	6,845,000	5.25	HH1
1998A	2018	7,215,000	5.25	HJ7
1998A	2023	42,075,000	5.00	HK4
1998A	2027	72,865,000	4.75	CF0

<u>Oil Franchise Subordinate Revenue Bonds Series</u>	<u>Maturity Date (December 1)</u>	<u>Outstanding Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number (Base #709221)</u>
1998B	2014	\$ 5,155,000	5.25%	JS5
1998B	2015	5,435,000	5.25	JT3
1998B	2016	5,730,000	5.25	JU0
1998B	2017	6,030,000	5.00	JV8
1998B	2018	6,340,000	5.00	JW6
1998B	2023	36,930,000	5.00	JX4
1998B	2027	36,770,000	4.75	JY2

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APPENDIX C
FORM OF THE INDENTURE

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TRUST INDENTURE
BY AND BETWEEN
PENNSYLVANIA TURNPIKE COMMISSION
TO
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE
SECURING
PENNSYLVANIA TURNPIKE COMMISSION
SPECIAL OBLIGATION BONDS (FEDERALLY TAXABLE), SERIES 2014

Dated as of September 1, 2014

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Exhibit A – Form of Bonds

Appendix A – Form of 2014 Escrow Agreement

TRUST INDENTURE

This Trust Indenture, dated as of September 1, 2014 (the “Indenture”), is made by and between the PENNSYLVANIA TURNPIKE COMMISSION, an instrumentality of the Commonwealth of Pennsylvania (hereinafter sometimes called the “Commission”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and of validly existing under and by virtue of the laws of the U.S. and having a corporate trust office in the City of Pittsburgh, Pennsylvania (said banking association and any bank or trust company appointed as successor trustee under this Indenture being hereinafter sometimes called the “Trustee”).

RECITALS

WHEREAS, by an Act of the General Assembly of Pennsylvania approved on July 18, 2007, P. L. 169, No. 44 (“Act 44”) and various Acts of the General Assembly approved on several dates, including the Act of May 21, 1937, P. L. 774; the Act of May 24, 1945, P. L. 972; the Act of February 26, 1947, P. L. 17; the Act of May 23, 1951, P. L. 335; the Act of August 14, 1951, P. L. 1232; the Act of September 30, 1985, P. L. 240, No. 61 (“Act 61”), to the extent not repealed by Act 44, and the Act of November 25, 2013, P.L. 794, No. 89 (“Act 89”) (collectively, the “Enabling Acts”), the Commission is authorized to construct, operate and maintain a turnpike system and to issue bonds payable solely from the revenues of the Commission, including tolls, or from such funds as may be available to the Commission for that purpose; and

WHEREAS, the Commission previously issued its Oil Franchise Tax Senior Revenue Bonds, Series A of 1998, currently outstanding in the principal amount of \$147,550,000 and its Oil Franchise Tax Subordinated Revenue Bonds, Series B of 1998, currently outstanding in the principal amount of \$102,390,000 (hereinafter the “1998A Bonds” and the “1998B Bonds”, respectively, and, collectively, the “1998 Bonds”); and

WHEREAS, on July 16, 2003, the Commission established and funded an irrevocable escrow fund for the 1998 Bonds (the “1998 Bonds Escrow Fund”) with cash from its own funds; and

WHEREAS, on October 3, 2003 and again on November 7, 2003, the Commission restructured the 1998 Bonds Escrow Fund while continuing to ensure that cash and securities in the 1998 Bonds Escrow Fund were sufficient to pay, when due, the principal of and interest on the 1998 Bonds; and

WHEREAS, the Commission has determined that it is necessary and desirable to currently refund the 1998 Bonds and provide funds for certain capital improvements to the Mon-Fayette Expressway/Southern Beltway (the “Capital Project”); and

WHEREAS, the Commission has determined to issue its Pennsylvania Turnpike Commission Special Obligation Bonds (Federally Taxable), Series 2014, in one or more series and/or sub-series, at a taxable fixed rate (collectively, the “Bonds”), in an aggregate principal amount of \$288,675,000 for the purposes of financing any or all of the costs of (i) currently

refunding all of the Commission's outstanding 1998 Bonds; (ii) the Capital Project; and (iv) issuing the Bonds (collectively, the "Project"); and

WHEREAS, the Bonds will be limited obligations of the Commission, secured by and payable from the Escrow fund (defined herein) which will fully provide for the payment of the principal of, and interest on, the Bonds; and

WHEREAS, all things necessary to make the Bonds, when authenticated and issued as provided in this Indenture, the valid, binding and legal obligations of the Commission according to the import thereof, the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respect been duly authorized by the Commission.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become holders thereof, and in order to secure the payment of all the Bonds at any time issued and outstanding hereunder and the interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions therein and herein contained, the Commission does hereby sell, assign, transfer, set over and grant a security interest in and pledge unto the Trustee the Trust Estate as security for the payment of the Bonds and the interest thereon, and it is mutually agreed and covenanted by and between the parties hereto for the equal and proportionate benefit and security of all and singular, the present and future holders of the Bonds issued and to be issued under this Indenture, without preference, priority or distinction as to lien or otherwise, except as otherwise provided herein or in any Supplemental Indenture, of any one Bond over any other Bond by reason of priority in the issuance, sale or negotiation thereof or otherwise except as otherwise provided herein, as follows:

ARTICLE I.

DEFINITIONS

Section 1.01. Terms Defined in Recitals. The following terms defined in the recitals of this Indenture, wherever used in this Indenture, shall have the respective meanings specified in such recitals unless the context clearly otherwise requires:

Act 44	Trustee
Capital Project	1998 Bonds
Commission	1998A Bonds
Enabling Acts	1998B Bonds
Indenture	1998 Bonds Escrow Fund
Project	

Section 1.02. Other Defined Terms. In addition to words and terms elsewhere defined in this Indenture, the following words and terms, as used in this Indenture, shall have the following meanings unless the context clearly indicates otherwise:

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

Authorized Officer means, in the case of the Commission, any commissioner, director, officer or employee of the Commission authorized to perform specific acts or duties by resolution duly adopted by the Commission; and in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Bond or **Bonds** means any of the bonds of the Commission authorized and issued pursuant to this Indenture.

Bond Counsel means Dilworth Paxson LLP and Gonzalez Harlan & Saggio LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of bonds by state and municipal entities, selected by the Commission.

Bond Register means the registration books of the Commission kept by the Trustee to evidence the registration and transfer of Bonds.

Bondholder or **Holder of Bonds** or **Holder** or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any Bond or Bonds.

Book Entry Bonds means Bonds authorized to be issued to and registered in the name of a Securities Depository directly or indirectly for the beneficial owners thereof.

Business Day means any day other than a Saturday or a Sunday or a day on which banking institutions are required or authorized by law or executive order to remain closed in the city in which the designated office of the Trustee is located, in the Commonwealth or in the City of New York.

Chief Engineer means the employee of the Commission designated as its “Chief Engineer” or any successor title.

Clearing Fund means the Clearing Fund established pursuant to Section 5.02 hereof.

Commonwealth means the Commonwealth of Pennsylvania.

Counsel means an attorney or law firm (who may, without limitation, be counsel for the Commission, the Commonwealth or other governmental entity or agency of the Commonwealth) not unsatisfactory to the Trustee.

Dated Date means the date of authentication of any Bonds.

Debt Service Fund means the Debt Service Fund established pursuant to Section 5.02(a) hereof.

Defeasance Securities means:

- (a) direct, non-callable obligations of the United States Treasury,
- (b) direct non-callable and non-prepayable obligations which are unconditionally guaranteed by the U.S. government as to full and timely payment of principal and interest,
- (c) non-callable, non-prepayable coupons from the securities listed in (a) and (b) above which are stripped pursuant to the United States Treasury programs,
- (d) non-callable and non-prepayable refunded bonds that have been rated #Aaa by the Rating Agency,
- (e) Resolution Funding Corporation bonds and strips,
- (f) non-callable and non-prepayable fixed rate Israel Notes guaranteed as to principal and interest by the United States through the United Agency for International Development, which Israel Notes are rated “Aaa” by the Rating Agency and mature at least four Business Days prior to the date funds are needed for debt service payments, and
- (g) United States State and Local Government Securities.

EMMA means the Electronic Municipal Market Access System operated by the Municipal Securities Rulemaking Board.

Escrow Agent means The Bank of New York Mellon Trust Company, N.A., having the duties, responsibilities and rights provided for as Escrow Agent in this Indenture and the 2014 Escrow Agreement, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the 2014 Escrow Agreement.

Escrow Fund means the Escrow Fund established pursuant to the 2014 Escrow Agreement.

Interest Payment Date means, each June 1 and December 1, commencing December 1, 2014.

Moody's means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized rating agency designated by the Commission.

Outstanding, when used with reference to Bonds, means, as of any date, all Bonds authenticated and delivered hereunder, except (i) any Bond cancelled by the Trustee at or prior to such date, (ii) any Bond deemed to have been paid in accordance with Section 9.01 hereof, and (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III or Section 4.06 hereof.

Participants means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Person means an individual, public body, a public instrumentality, a corporation, a limited liability company, a partnership, limited liability partnership, an association, a joint stock company, a trust and any unincorporated organization.

Principal Office means, with respect to any entity performing functions under this Indenture, the designated office of that entity or its affiliate at which those functions are performed.

Rating Agency shall mean each nationally recognized securities rating agency then maintaining a rating on the Bonds at the request of the Commission, and initially means Moody's.

Record Date means the fifteenth day (whether or not a business day) of the calendar month next preceding an interest payment date on the Bonds.

Released Escrow Amounts shall mean the Released Escrow Securities and cash, if any, released from the 1998 Bonds Escrow Agreement in an amount sufficient to pay the principal of and interest on the 2014 Bonds as and when due until the respective maturity dates of the Bonds.

Released Escrow Securities means the escrow securities originally securing the 1998 Bonds, as set forth on Exhibit B to the 2014 Escrow Agreement, which are released from the provisions of the 1998 Bonds Escrow Agreement in order to secure the payment of the principal of and interest on the Bonds.

Securities Depository means, initially, The Depository Trust Company, New York, New York, and its successors and assigns and any successor Securities Depository appointed pursuant to Article III.

Series Issue Date shall have the meaning provided in Section 2.03(d).

Trust Estate means, collectively, but subject to the terms and provisions of Section 5.01, all right, title and interest of the Commission in: (i) the proceeds of the sale of the Bonds, (ii) the Released Escrow Securities and any money received by the Trustee in respect thereof, and (iii) the Clearing Fund and the Debt Service Fund and the moneys and investments on deposit therein from time to time to the extent permitted hereby.

Trustee means the bank or trust company acting as Trustee and paying agent under this Indenture, and having the duties, responsibilities and rights provided for in this Indenture, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto.

U.S. means United States of America.

Written Request means a request in writing signed by an Authorized Officer of the Commission or any other officers designated by the Commission to sign such Written Request.

1998 Bonds Escrow Agreement means, the Escrow Deposit Agreement dated as of July 15, 2003 between the Commission and The Bank of New York Mellon Trust Company, N.A., as successor to National City Bank of Pennsylvania, as escrow agent relating to the 1998 Bonds.

1998 Bonds Redemption Date shall mean September 17, 2014.

2014 Escrow Agreement means, the Escrow Deposit Agreement dated as of September 1, 2014 between the Commission and The Bank of New York Mellon Trust Company, N.A., as escrow agent, relating to the 2014 Bonds, the form of which is attached hereto as Appendix A.

Section 1.03. Rules of Interpretation. For purposes of this Indenture, except as otherwise expressly provided or the context otherwise requires:

(a) The words “herein,” “hereof” and “hereunder” and other similar words refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) The definitions in this Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms which are not defined in this Indenture have the meanings assigned to them in accordance with then applicable generally accepted accounting principles.

(d) Any pronouns used in this Indenture include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this Indenture have the meanings attributed to them where defined.

(f) The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(g) Any references to Section numbers are to Sections of this Indenture unless stated otherwise.

(h) All references to any time of the day shall refer to Eastern standard time or Eastern daylight saving time, as in effect in the City of Pittsburgh, Pennsylvania on such date.

(i) The captions, headings and table of contents in this Indenture are solely for convenience of reference and in no way define, limit or describe the scope of any Articles, Sections, Subsections, paragraphs, subparagraphs or clauses hereof.

ARTICLE II.

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization and Purpose of the Bonds. An aggregate principal amount of \$288,675,000 of Bonds are authorized for issuance pursuant to this Indenture, and shall contain substantially the terms recited in the form of Bonds set forth in Exhibit A to this Indenture. No Bonds may be issued under this Indenture except in accordance with this Article II. There is hereby created a continuing pledge and lien as provided hereby to secure the payment of the principal of and interest on all the Bonds. The Bonds are being issued for the purpose of financing the Project.

Section 2.02. Limited Obligations. The Bonds are limited obligations of the Commission, payable solely from the Trust Estate and the Escrow Fund. The Bonds constitute a valid claim of the respective owners thereof against the Trust Estate and the Escrow Fund to the extent provided herein and in the 2014 Escrow Agreement, which is pledged to secure the payment of the principal of, and interest on, the Bonds as provided herein, and which shall be utilized for no other purpose, except as expressly authorized in this Indenture. The Bonds shall not constitute general obligations of the Commission and under no circumstances shall the Bonds be payable from, nor shall the holders thereof have any rightful claim to, any income, revenues, funds or assets of the Commission other than those pledged hereunder as security for the payment of the Bonds.

Section 2.03. Designation, Denominations, Maturity Dates and Interest.

(a) The Bonds are designated as “Pennsylvania Turnpike Commission Special Obligation Bonds (Federally Taxable), Series 2014”.

(b) The Bonds shall be issuable only in Authorized Denominations.

(c) The Bonds shall mature pursuant to the following schedule and shall bear interest at the annual rates set forth in the following table.

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2014	\$15,815,000	0.120%
2015	16,710,000	0.350%
2016	16,785,000	0.787%
2017	16,930,000	1.249%
2018	17,160,000	1.699%
2019	17,460,000	2.023%
2020	17,835,000	2.323%
2021	18,265,000	2.609%
2022	18,760,000	2.829%
2023	19,320,000	2.929%
2024	27,075,000	3.029%
2025	27,930,000	3.129%
2026	28,830,000	3.229%
2027	29,800,000	3.329%

(d) The Bonds shall have a Series Issue Date which shall be September 17, 2014, the date of original issuance and first authentication and delivery against payment therefor, and which shall be set forth on the face of all Bonds authenticated by the Trustee. Bonds issued prior to the first Interest Payment Date following the Series Issue Date shall have a Dated Date which is the Series Issue Date. Bonds issued on or subsequent to the first Interest Payment Date following the Series Issue Date shall have a Dated Date which is the same as the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for, in which case they shall have a Dated Date which is the same as such date of authentication; provided that if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall have a Dated Date which is the same as the date to which interest has been paid in full on the Bonds or, if no interest has been paid on the Bonds, the Series Issue Date of the Bonds.

(e) The Bonds shall bear interest from and including the Dated Date thereof until payment of the principal thereof shall have been made or provided for in accordance with the provisions hereof at maturity. Interest on the Bonds shall be paid on each Interest Payment Date. Each Bond shall bear interest on overdue principal at the rate borne by such Bond. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

ARTICLE III. GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. Place and Medium of Payment. Principal of the Bonds shall be payable to the registered owner of the Bond when due upon presentation of such Bond at the principal corporate trust office of the Trustee. The Bonds shall be payable, with respect to interest and

principal, in any coin or currency of the U.S. which at the time of payment is legal tender for the payment of public and private debts.

Bonds shall be issued in the form of fully registered Bonds without coupons. Bonds, the certificate of authentication, if any, and the form of assignment shall be in substantially the form set forth as Exhibit A hereto, with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or thereby or are required by law, and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the Authorized Officers of the Commission executing such Bonds, as evidenced by their execution of the Bonds. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Bond, or as multiple pages (with or without such a reference). Bonds may be typewritten, printed, engraved, lithographed or otherwise produced.

The Trustee designates the Escrow Agent as its agent for the payment of the Bonds.

Section 3.02. Execution and Authentication. The Bonds shall be executed on behalf of the Commission by the manual or facsimile signature of the Chairman of the Commission and attested by the manual or facsimile signature of the (Assistant) Secretary/(Assistant) Treasurer of the Commission, and shall have the corporate seal of the Commission affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bond shall cease to be such officer, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A hereto, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

Section 3.03. Registration, Transfer and Exchange of Bonds.

(a) The Trustee is hereby appointed Bond Registrar and as such shall keep the Bond Register at its Principal Office.

(b) Any Bond may be transferred only upon the Bond Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Holder or his attorney or legal representative in such form as shall be satisfactory to the Trustee.

Upon any such transfer, the Commission shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a Bond or Bonds, registered in the name of the transferee, of any Authorized Denomination and of the same maturity, bearing interest at the same rate.

(c) Any Bonds, upon surrender thereof at the Principal Office of the Trustee, together with an assignment duly executed by the Holder or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Holder Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any Authorized Denomination, bearing interest at the same rate.

(d) In all cases in which Bonds shall be exchanged or transferred hereunder, the Commission shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee.

(e) The Commission, the Trustee or the Securities Depository may make a charge against the Holder requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Commission. In the event any Holder fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Holder sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code of 1986, as amended, such amount may be deducted by the Trustee from amounts otherwise payable to such Holder hereunder or under the Bonds.

(f) The Trustee shall not be required to transfer or exchange any Bond during a period beginning at the opening of business on any Record Date for such Bond and ending at the close of business on the relevant Interest Payment Date therefor.

(g) The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner of such Bond for all purposes, and payment of or on account of the principal of, and interest on, any such Bond shall be made only to or upon the order of the Holder thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

(h) At reasonable times upon prior Written Request and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Commission or by the Holders (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

(i) The Trustee shall, upon the request of the Escrow Agent, provide a copy of the Bond Register to the Escrow Agent.

Section 3.04. Bonds Mutilated, Destroyed, Lost or Stolen. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Commission shall execute, and thereupon the Trustee shall deliver, a new Bond of like tenor, maturity, interest rate and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Commission and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Commission and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Commission and the Trustee may prescribe and paying such expenses as the Commission and Trustee may incur. All Bonds so surrendered to the Trustee shall be canceled by it. If any such Bond shall have matured, instead of issuing a new Bond the Commission may cause the same to be paid without surrender thereof upon indemnity satisfactory to the Commission and the Trustee. Any such new Bonds issued pursuant to this Section 3.04 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Commission, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Indenture, in any money or securities held by the Commission or the Trustee for the benefit of the Holders of Bonds.

Section 3.05. Book Entry Bonds.

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Bonds, except in the event the Trustee issues Replacement Bonds as provided in subsection (b). It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, and interest on, the Bonds to the Participants until and unless the Trustee authenticates and delivers Replacement Bonds to the beneficial owners as described in Subsection (b).

(b) If the Commission determines (i) that the Securities Depository is unable to properly discharge its responsibilities, or (ii) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (iii) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Holder other than Cede & Co. is no longer in the best interests of the Commission, or (iv) if the Trustee receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect to the Trustee by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Holder other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, then the Trustee, based on information provided to it by the Securities Depository, shall notify the beneficial owners of the Bonds of such determination or such notice and of the availability of certificates to beneficial owners of the Bonds requesting the same, and the Trustee shall register in the name of and authenticate and deliver Bonds (the "Replacement Bonds") to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest; provided, that in the

case of a determination under (i) or (ii) of this subsection (b), the Commission, with the consent of the Trustee, may select a successor Securities Depository in accordance with subsection (c) to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository or its nominee is the Holder of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Trustee or the Commission is unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Trustee shall authenticate and cause delivery of Replacement Bonds to the Commission as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names, addresses, taxpayer identification numbers of and principal amount held by the beneficial owners of the Bonds. The cost of registering and printing Replacement Bonds shall be paid by the Commission.

(c) In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Commission may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 3.06. CUSIP Numbers. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, “CUSIP” numbers may be printed on the Bonds. The Bonds may bear endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto

Section 3.07. Unclaimed Funds. Any moneys which shall be so held or deposited by the Trustee, and which shall remain unclaimed by the Holders of such Bonds for the period of five years after the date on which such Bonds shall have become payable, shall be paid to the Commission upon its written request or to such officer, board or body as may then be entitled by law to receive the same; thereafter the holders of such Bonds shall look only to the Commission or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

ARTICLE IV. PURCHASE OF BONDS

Section 4.01. Purchase of Bonds at Any Time. The Trustee, upon the written request of the Commission, shall purchase Bonds as specified by the Commission in the open market at a price not exceeding the price specified by the Commission. Such purchase of Bonds shall be made with funds available under this Indenture or provided by the Commission in such written

request. Upon purchase by the Trustee, such Bonds shall be treated as delivered for cancellation pursuant to Section 11.05. Nothing in this Indenture shall prevent the Commission from purchasing Bonds on the open market without the involvement of the Trustee and delivering such Bonds to the Trustee for cancellation pursuant to Section 11.05.

**ARTICLE V.
PLEDGE OF TRUST ESTATE;
DEBT SERVICE FUND; CLEARING FUND; CONSTRUCTION FUND;
INVESTMENTS**

Section 5.01. Pledge of Trust Estate. There are hereby pledged for the payment of the principal of, and interest on, the Bonds, in accordance with their terms and the provisions of this Indenture, all right, title and interest of the Released Escrow Amounts on deposit in the Clearing Fund, the Debt Service Fund and the Escrow Fund and all right, title and interest of the Commission in the Trust Estate, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture. The pledge created by this Section 5.01 shall in all respects secure on a pari passu basis all of the Bonds, and, except as expressly so stated, nothing contained in this Indenture shall be deemed to confer on the Holders of any Bonds any rights in the Trust Estate or the Escrow Fund superior or inferior to the Holders of any other Bonds. The pledge created by this Section 5.01 shall be valid and binding from the date of issuance of the Bonds, and the Trust Estate and the Escrow Fund shall immediately be subject to the lien of such pledge without any physical delivery thereof or any further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Commission irrespective of whether such parties have notice thereof. Subject to the provisions of the first sentence of this Section 5.01, the Escrow Fund and the Trust Estate 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 created by this Indenture, and, with respect to the Trust Estate, all corporate action on the part of the Commission to that end has been duly and validly taken. The Clearing Fund and the Debt Service Fund established under this Indenture shall be held by the Trustee separate and apart from all other funds and moneys of the Commission and the Trustee and there shall be no commingling of any of the funds or moneys on deposit in the Clearing Fund and the Debt Service Fund with any other funds or moneys of the Commission or the Trustee.

Section 5.02. Deposit of Bond Proceeds; Application of Bond Proceeds.

The proceeds of the Bonds shall be deposited in a Clearing Fund established by the Trustee and applied as follows:

(a) \$253,568,045.07 shall be transferred to the trustee for the 1998 Bonds to be applied to the current refunding of the 1998 Bonds on the 1998 Bonds Redemption Date;

(b) \$33,580,476.67 shall be transferred to the Commission, on or before the first Business Day immediately following the Series Issue Date, to be applied by the Commission to the costs of the Capital Project; and

(c) The balance of the proceeds of the Bonds shall be retained in the Clearing Fund and applied to pay costs of issuance of the Bonds.

Any sums remaining in the Clearing Fund ninety (90) days after the date of issuance of the Bonds shall be transferred to the Commission to be applied to the costs of the Capital Project.

Section 5.03. Debt Service Fund and Escrow Fund.

(a) There is hereby established the Debt Service Fund which shall be held and maintained by the Trustee. On the day of issuance of the Bonds, the Trustee shall deposit to the Debt Service Fund the Released Escrow Amounts released from the escrow fund established under the 1998 Bonds Escrow Agreement by the escrow agent under the 1998 Bonds Escrow Agreement. Promptly upon the receipt thereof, the Trustee shall irrevocably transfer the Released Escrow Amounts to the Escrow Agent for deposit into the Escrow Fund. The Trustee shall cause the Debt Service Fund to be closed on or after the ninetieth (90th) day following the Series Issue Date.

(b) Separate and apart from the Debt Service Fund and the Trust Estate, the Escrow Fund is established pursuant to the 2014 Escrow Agreement and shall be held and maintained by the Escrow Agent. On the Series Issue Date of the Bonds, the Trustee shall irrevocably transfer the Released Escrow Amounts to the Escrow Agent as provided in Section 5.03(a) hereof. The Escrow Fund is a special and irrevocable trust fund to be held by the Escrow Agent. The deposit of the Released Escrow Amounts in the Escrow Fund shall constitute an irrevocable deposit of such amounts in trust solely for the payment of the principal of, and interest on, the Bonds on and prior to the maturity date thereof, and the principal of and interest earnings on such Released Escrow Amounts shall be used solely for such purposes, except as otherwise permitted by the 2014 Escrow Agreement. The trusts hereby created shall be irrevocable. The terms and provisions relating to the Escrow Fund are set forth in the 2014 Escrow Agreement, the form of which is attached as Appendix A hereto.

(c) The parties hereto intend that the transfer of the Released Escrow Amounts to the Escrow Agent for deposit into the Escrow Fund shall constitute an absolute and irrevocable transfer and not a loan or pledge. Notwithstanding anything to the contrary set forth in this Indenture, if a court of competent jurisdiction determines that the transfer of the Released Escrow Amounts to the Escrow Agent for deposit into the Escrow Fund constitutes a loan or a pledge and not an absolute and irrevocable transfer, then the parties hereto intend that the Escrow Fund shall be treated as part of the Trust Estate and pledged in accordance with Section 5.01 above as if the Escrow Fund had been included within the definition of "Trust Estate" in Section 1.02 above.

ARTICLE VI. PARTICULAR COVENANTS

The Commission covenants and agrees with the Holders of the Bonds as follows:

Section 6.01. Payment of Bonds. The Commission shall duly and punctually pay or cause to be paid from the Trust Estate and the Escrow Fund as provided in this Indenture and the

2014 Escrow Agreement, the principal of, and interest on, every Bond, on the dates and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

Section 6.02. Extension of Payments of Bonds. The Commission shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payments of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any Event of Default, to the benefit of this Indenture or to any payment out of the Trust Estate, except subject to 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 claims for interest.

Section 6.03. Power to Issue Bonds and Make Pledges. The Commission is duly authorized pursuant to law to create and issue the Bonds, to execute and deliver this Indenture and to pledge the moneys, securities and funds purported to be pledged by this Indenture in the manner and to the extent provided in this Indenture. The moneys, securities and funds so pledged are and shall 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 created by this Indenture, and all corporate action on the part of the Commission to that end has been duly and validly taken. The Bonds and the provisions of this Indenture are and shall be the valid and legally enforceable obligations of the Commission in accordance with their terms and the terms of this Indenture. The Commission shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the moneys, securities and funds under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

Section 6.04. Further Assurances. To the extent permitted by law, the Commission from time to time shall make, do, execute, adopt, acknowledge and deliver, and take all and every such further acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and interests in the Trust Estate and the Escrow Fund so assigned, or intended so to be, or which the Commission or the Escrow Agent may become bound to pledge or assign.

Section 6.05. Accounts and Reports. The Commission shall cause the Escrow Agent to keep proper books of record and account relating to the Released Escrow Amounts and the debt service relating to the Bonds. A copy of each record and account shall be filed semi-annually after each interest payment date on the Bonds with the Commission and the Trustee and the Trustee shall send a copy thereof to any Holder filing with the Trustee a written request therefor.

Section 6.06. Creation of Liens. The Commission shall not create or cause to be created any lien or charge prior or equal to that of the Bonds on the Trust Estate or any lien or charge on the Escrow Fund.

Section 6.07. Offices for Payment and Registration of Bonds. Except as otherwise provided in this Indenture, the Commission shall at all times maintain one or more offices or agencies in the Commonwealth where Bonds may be presented for payment, registration,

transfer or exchange, and where notices, demands and other documents may be served upon the Commission in respect of the Bonds or of this Indenture. The Commission may appoint the Trustee as its agent to maintain such office or agency for the payment, registration, transfer or exchange of Bonds and for the service upon the Commission of such notices, demands and other documents. The Commission may also maintain one or more offices or agencies outside of the Commonwealth for the same purposes.

Section 6.08. General. The Commission shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Commission under the provisions hereof in accordance with the terms of such provisions and, to the extent material to the interests of the Holders, the Enabling Acts.

Upon the date of issuance of the Bonds, all conditions, acts and things required by the statutes of the Commonwealth and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the Commission, shall be within every debt and other limit prescribed by the laws of the Commonwealth.

ARTICLE VII. CONCERNING THE TRUSTEE

Section 7.01. Duties, Liabilities and Rights of the Trustee.

(a) Prior to the occurrence of an Event of Default of which an Authorized Officer of the Trustee has written notice or actual knowledge, and after the curing or waiver of any Event of Default which may have occurred:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee is under a duty to examine same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default of which an Authorized Officer of the Trustee has written notice or actual knowledge has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

1. this subsection (c) shall not be construed to limit the effect of subsection (a) of this Section 7.01;
2. the Trustee is not and shall not be liable for any error of judgment made in good faith by an Authorized Officer of the Trustee, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts;
3. the Trustee is not and shall not be liable with respect to any action taken or omitted to be taken by it in good faith (i) in accordance with the direction of the Holders of the applicable percentage of Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or (ii) which it believes to be authorized or within its rights or powers under this Indenture;
4. no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any personal or financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, for which it has not received a satisfactory indemnity;
5. the Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;
6. the Trustee shall not be charged with knowledge of an Event of Default unless an Authorized Officer of the Trustee shall have received written notice from a Holder or the Commission or have actual knowledge; provided that the Trustee shall be deemed to have actual knowledge of any failure to pay principal of, and interest on, Bonds when due;
7. the Trustee shall not be under any obligation, to take any action that is discretionary hereunder;
8. neither the Trustee nor any of its directors, officers, employees or agents shall be personally liable for any action taken, suffered or omitted by the Trustee in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon the Trustee by this Indenture;
9. the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians, or nominees and the Trustee shall not be responsible for any misconduct or

negligence on the part of any agent, attorney, custodians or nominees appointed with due care by it hereunder; and

10. the Trustee may request that the Commission deliver a certificate of an Authorized Officer setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant hereto, which certificate may be signed by any person authorized to sign such a certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

11. before taking any action under this Indenture relating to an event of default, or in connection with its duties under this Indenture of a non-routine or extraordinary nature, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

(d) Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Section 7.01.

(e) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(f) The Trustee shall not be accountable for the use or application by the Commission of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

Section 7.02. Property Held in Trust. All moneys and investments conveyed to or held by the Trustee at any time pursuant to the terms hereof shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions hereof.

Section 7.03. Evidence on Which Trustee May Act. The Trustee shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with Counsel of its selection, who may or may not be Counsel to the Commission, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken, omitted to be taken or suffered by it under this Indenture in good faith and in accordance therewith.

Whenever the Trustee 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 other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

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

Section 7.04. Compensation. The Commission shall pay to the Trustee from time to time such compensation as shall be agreed to in writing between the Trustee and the Commission for all services rendered under this Indenture (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Indenture. Notwithstanding the foregoing, the Trustee shall have no lien and will not assert any lien whatsoever on the Released Escrow Amounts or amounts on deposit in the Debt Service Fund for the payment of any such compensation, expenses, charges, counsel fees or other disbursements, except to the extent of any surplus as provided in Section 5.07 hereof. The obligations of this Section 7.04 shall survive the discharge of this Indenture. As security for the performance of the Commission under this section, the Trustee shall have a lien prior to any Bond upon all property and funds held or collected by the Trustee as such, provided, however, no obligation of the Commission to make any payment to the Trustee shall have the benefit of any lien on or pledge or assignment of the Trust Estate or the Escrow Fund.

The Commission agrees to indemnify, defend and hold the Trustee harmless from and against any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance of administration of the office of Trustee under this Indenture including the costs of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The indemnifications set forth herein shall survive the termination of this Indenture and/or the resignation or removal of the Trustee.

Section 7.05. Permitted Acts. The Trustee may become the Holder of any Bonds or any other obligations of the Commission, with the same rights it would have if it were not a Trustee. To the extent permitted by law and pursuant to this Indenture, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Holders of Bonds or the holders of any other obligations of the Commission or to effect or aid in any reorganization growing out of the enforcement of the Bonds or any other obligations the Commission 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 7.06. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than 60 days' written notice to the Commission and mailing notice thereof to the Holders of the Bonds, specifying the date when such resignation shall take effect, at least 45 days prior to the effective date, provided that such resignation shall take effect upon the later of (i) the day specified in such notice and (ii) the day a successor shall have been appointed by the Commission or the Holders of Bonds as provided in Section 7.08 and shall have qualified therefor.

Section 7.07. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Commission. In addition, so long as no Event of Default shall have occurred and be continuing hereunder and the Trustee is not pursuing any right or remedy available to it pursuant to this Indenture, the Trustee may be removed by the Commission at any time for failure to provide reasonably acceptable services, failure to charge reasonably acceptable fees or any other reasonable cause, all as determined by a certificate of an Authorized Officer filed with the Trustee. Any such removal shall not be effective until a successor shall have been appointed by the Commission or the Holders of Bonds as provided in Section 7.08 and shall have qualified therefor.

Section 7.08. Successor Trustee. 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 shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Commission, by an instrument or concurrent instruments in writing signed and acknowledged by such Holders of Bonds or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Commission and the predecessor Trustee; provided, nevertheless, that unless a successor Trustee shall have been appointed by the Holders of Bonds as aforesaid, the Commission by a duly executed written instrument signed by an Authorized Officer of the Commission shall therewith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Holders of Bonds as authorized in this Section 7.08. The Commission shall mail notice of any such appointment made by it to all Holders within 20 days after such appointment. Any successor Trustee appointed by the Commission shall, immediately and without further act, be superseded by a Trustee appointed by the Holders of Bonds.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 7.08 within 45 days after the Trustee shall have given to the Commission written notice as provided in Section 7.06 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may, at the expense of the Commission, apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section 7.08 in succession to the Trustee shall be a bank that is organized under the laws of the Commonwealth or is a national banking association organized under the laws of the U.S., and having a capital and surplus aggregating at least \$50 million, if there be such a bank 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 7.09. 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 Commission, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Commission, or of the successor Trustee, and, upon the payment of all of its charges hereunder, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee 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 in writing from the Commission be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Commission.

Section 7.10. Merger or Consolidation of the Trustee. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Trustee may sell or transfer all or substantially all of its municipal corporate trust business, provided such person shall be a bank that is organized under the laws of the Commonwealth or is a national banking association organized under the laws of the U.S., and having a capital and surplus aggregating at least \$50 million, and shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

ARTICLE VIII. DEFAULTS AND REMEDIES

Section 8.01. Events of Default. An event of default shall exist under this Indenture (an “event of default”) if:

- (a) default is made in the payment of the principal of, or interest on, any Bond after the same shall become due and payable; or
- (b) the Commission shall default in the due and punctual performance or observance of any other of the covenants, agreements or conditions on its part contained in this Indenture, or in the Bonds, and such default shall continue for a period of thirty (30) days after

written notice thereof requiring the same to be remedied shall have been given to the Commission by the Trustee, provided, that if the failure stated in the notice cannot be remedied within the applicable period, the Trustee shall not unreasonably withhold its consent to an extension of such time if corrective action has been instituted by the Commission within such period and is being diligently pursued; or

(c) the pledge created in Section 5.01 shall, at any time and for any reason, cease to be in full force and effect or a final judgment shall be rendered which shall declare the pledge to be null and void, or shall declare that the pledge does not establish in any material respect the lien it purports to establish, or that the pledge is not for the benefit of the Holders of the Bonds; or

(d) a default shall occur under the 2014 Escrow Agreement.

Section 8.02. Powers of Trustee in Respect of an Event of Default. In the event that any event of default specified in Section 8.01 shall occur and be continuing, the Trustee may, and, upon written request of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, plus provision of indemnity satisfactory to the Trustee, shall, in its name:

(a) by suit, action or proceeding in accordance with the civil practice law and rules enforce all rights of the Holders of Bonds;

(b) bring suit upon the Bonds against the Commission;

(c) by action or suit, require the Commission to account as if it were the trustee of an express trust for the Holders of the Bonds; or

(d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds.

The Bonds are not subject to acceleration upon an Event of Default.

The remedies conferred upon or reserved to the Trustee in respect of any event of default are not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute; provided, however, that the Trustee or the Holders of the Bonds shall not have the right to declare all Bonds to be immediately due and payable. No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice as may be expressly required herein.

The Trustee shall, in addition to the foregoing powers, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or

incidental to the general representation of Holders of Bonds in the enforcement and protection of their rights.

The Commission covenants that if an event of default shall have happened and shall not have been remedied, the books of record and account of the Commission and all other records relating to the Trust Estate shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys and, upon demand of the Trustee, the Commission will account, as if it were the trustee of an express trust, for the Trust Estate for such period as shall be stated in such demand.

Section 8.03. Priority of Payments After Default. In the event that the funds held by the Trustee shall be insufficient for the payment of interest and principal then due on the Bonds, such funds (excluding funds held for the payment of particular Bonds which have theretofore become due at maturity) and any other money received or collected by the Trustee, after making provision for the payment of any expenses necessary in the opinion of the Trustee to preserve the continuity of the amounts to be received under this Indenture or otherwise to protect the interest of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under this Indenture, shall be applied as follows:

Unless the principal of all of the Bonds shall have become due and payable upon the final maturity of the Bonds,

First: To the payment to the persons entitled thereto of all installments of interest then due with respect to Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installments due on the same date, then to the payment thereof ratably, according to the amounts due on such installments and interest components, to the persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Bonds; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due at maturity, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due on such date, to the persons entitled thereto, without any discrimination or preference.

If the principal of all of the Bonds shall have become due and payable at final maturity, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

The provisions of this Section 8.03 are in all respects subject to the provisions of Section 6.02.

Section 8.04. Termination of Proceedings. In case any proceedings taken by the Trustee on account of any event of default shall have been discounted or abandoned for any reason, then in every such case the Commission, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 8.05. Bondholders' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Holders of the majority in principal amounts of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 8.06. Limitation on Rights of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or other proceeding hereunder, or for the protection or enforcement of any right under this Indenture or any right under law unless such Holder shall have given written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers of right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Indenture or for any other remedy hereunder or under law. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under law with respect to the Bonds or this Indenture, except in the manner herein provided, and that all proceedings shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds. Notwithstanding the foregoing provisions of this Section 8.06 or any other provisions of this Article VIII, but subject to Section 2.02 hereof, the obligation of the Commission to pay the principal of, and interest on, the Bonds to the respective Holders thereof at the respective due dates thereof shall be absolute and unconditional, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Holders to enforce such payment.

Anything to the contrary notwithstanding contained in this Section 8.06, or any other provision of this Indenture, each Holder of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the

reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least twenty-five per centum (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of, or interest on, any Bond on or after the respective due dates thereof expressed in such Bond.

Section 8.07. Possession of Bonds by Trustee Not Required. All rights of action hereunder or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds to which such action relates, subject to the provisions hereof.

Section 8.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.09. No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article VIII to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, shall, waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy hereunder; but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.10. Notice of Event of Default. The Trustee shall give to the Bondholders notice of each event of default hereunder known to the Trustee within fifteen (15) days after knowledge of the occurrence thereof, unless such event of default shall have been remedied or cured before the giving of such notice. Such notice of event of default shall be given by the Trustee by mailing written notice thereof to all registered Holders of Bonds as the names and addresses of such Holders appear upon the books, for registration and transfer of Bonds as kept by the Trustee.

ARTICLE IX.

DEFEASANCE

Section 9.01. Defeasance. If the Commission shall pay or cause to be paid to the Holders of all Bonds then Outstanding the principal and interest to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the covenants, agreements and other obligations of the Commission to the Holders of Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Commission, execute and deliver to the Commission all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Commission all money, securities and funds held by it pursuant to this Indenture which are not required for the payment of Bonds not theretofore surrendered for such payment.

Outstanding Bonds or any portions thereof for the payment of which money shall have been set aside and shall be held in trust by the Trustee shall at the respective maturity dates thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01. Outstanding Bonds or any portions thereof shall, prior to the maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01, (a) there shall have been irrevocably deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities, the principal of, and the interest on, which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal and interest due and to become due on such Bonds or such portions thereof on and prior to the maturity date thereof, and (b) in the event such Bonds are not by their terms maturing within the next succeeding 60 days, the Commission shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by (a) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 9.01 and stating such maturity date upon which money is to be available for the payment of the principal of such Bonds. In determining the sufficiency of the moneys and/or Defeasance Securities deposited pursuant to this Section 9.01, the Trustee shall be entitled to receive, at the expense of the Commission, and may rely on a verification report. Such verification report shall be prepared by an individual certified public accountant, a firm of nationally recognized independent certified public accountants or another entity with nationally recognized proficiency in providing verification reports. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section 9.01 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, and interest on, said Bonds; provided, however, that any money on deposit with the Trustee, (i) to the extent such money will not be required at any time for such purpose, shall be paid over to the Commission as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Indenture, and (ii) to the extent such money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient, together with any money available to the Trustee for such purpose, to pay when due the principal of, and interest to become due on, said Bonds on and prior to such maturity date thereof.

Notwithstanding anything in this Article IX to the contrary, the transfer of the Released Escrow Amounts by the Trustee to the Escrow Agent and the deposit of the Released Escrow Amounts in the Escrow Fund shall not constitute a defeasance for purposes of this Article IX.

ARTICLE X.

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOFS OF OWNERSHIP OF BONDS

Section 10.01. Evidence of Signatures of Bondholders and Ownership of Bonds.

Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by a Holder or Holders of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Holder or Holders of Bonds in person or by his or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, or the holding or owning by any person of such Bonds, shall be sufficient for any purpose hereof (except as otherwise herein expressly provided) if made as in this Section 10.01 provided, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

The fact and date of the execution by any Holder of Bonds or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Holder of Bonds may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding or owning the same shall be proved by the registry books. Any request, consent or vote of the Holder of any Bond shall bind all future Holders of such Bond in respect of anything done or suffered to be done or omitted to be done by the Commission or the Trustee in accordance therewith.

ARTICLE XI.

MISCELLANEOUS

Section 11.01. Modification or Amendment. No material modification or amendment of this Indenture or any supplemental indenture amendatory hereof or supplemental hereto, may be made without the consent in writing of the Holders of a majority or more in principal amount of the Bonds then Outstanding; provided, however, that no modification or amendment shall permit (i) a change in the maturity of such Bonds or (ii) a reduction in the rate of interest thereon or in the amount of the principal obligation or (iii) a change in the obligation to pay the principal

of, and interest on, the Bonds as the same shall become due from the Released Escrow Amounts or (iv) a reduction in the percentage of holders of such Bonds, required above, for such modifications or amendments, without the consent of all of the Holders of such Bonds. No such modification or amendment shall be made unless the Trustee shall have received written notification from each other Rating Agency if then rating the Bonds that such modification or amendment will not result in a reduction or withdrawal of the then applicable rating on the Bonds by such Rating Agency. In addition, in connection with any amendment entered into pursuant to this Section 11.01, the Trustee shall receive a legal opinion from Bond Counsel, upon which the Trustee may conclusively rely that the amendment entered into is authorized or permitted by the terms of this Indenture in compliance with all conditions precedent.

Section 11.02. Successorship of Commission. In the event of the dissolution of the Commission, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Commission shall bind or inure to the benefit of the successor or successors of the Commission from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. The word “Commission” as used in this Indenture shall include such successor or successors.

Section 11.03. Preservation and Inspection of Documents. All documents received by the Trustee from the Commission or from Holders of Bonds under the provisions hereof shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Commission, any Holders of Bonds and their agents and their representatives, any of whom may make copies thereof; provided, however, that with respect to inspection by a Holder of Bonds a written request of such Holder of Bonds must have been received by the Trustee at least five (5) business days prior to the date of inspection.

Section 11.04. Moneys and Funds Held for Particular Bonds. The amounts held by the Trustee or the Escrow Agent for the payment of the principal of, and interest on, the Bonds due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the Holders of such Bonds entitled thereto, and for the purposes hereof such principal of, and interest on, such Bonds due after such date thereof, shall no longer be considered to be unpaid. Upon the payment in full of the Bonds at the applicable maturity date and the amounts, if any, owed to the Trustee hereunder, all remaining moneys held by the Trustee or the Escrow Agent shall be released to the Commission.

Section 11.05. Cancellation of Bonds. The Trustee shall forthwith cancel all Bonds which have been paid by it and may destroy such Bonds and deliver a certificate to that effect to the Commission. No such Bonds shall be deemed Outstanding Bonds hereunder and no Bonds shall be issued in lieu thereof.

Section 11.06. Limitation of Liability of Officials of the Commission. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Commission in his individual capacity, and neither the members of the Commission nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal

liability or accountability by reason of the issuance thereof. Notwithstanding anything to the contrary contained herein, the Trustee, the Holders of the Bonds any other party entitled to seek payment from the Commission under or to enforce this Indenture and the Bonds will be entitled to look solely to the Trust Estate, and such collateral, if any, as may now or hereafter be given to secure the payment of the obligations of the Commission under this Indenture and the Bonds, and no other property or assets of the Commission or any officer or director of the Commission shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies hereunder, or for any payment required to be made under this Subordinate Indenture and the Bonds, or for the performance of any of the covenants or warranties contained herein

Section 11.07. Notices. Except as otherwise provided herein, all notices, certificates or other communications hereunder shall be in writing and shall be deemed given upon receipt, by hand delivery, mail, overnight delivery, telecopy or other electronic means addressed as follows:

Commission:

Pennsylvania Turnpike Commission
700 South Eisenhower Boulevard
Middletown, PA 17057

Trustee:

The Bank of New York Mellon Trust Company, N.A.
525 William Penn Place, 38th Floor
Pittsburgh, PA 15259
Attention: Kerry Zombeck, Corporate Trust

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Commission shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Commission whenever a person is to be added or deleted from the listing. If the Commission elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Commission understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Commission shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Commission and all respective Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Commission. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Commission agrees: (i) to

assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Commission; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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

Section 11.08. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture and no interest shall accrue on the payment so deferred during the intervening period.

Section 11.09. Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute but one and the same instrument, and shall become effective when copies hereof shall be delivered to each of the parties hereto, which copies, when taken together, bear the signatures of each of the parties hereto.

Section 11.10. Applicable Law. This Indenture shall be governed in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the U.S. and of the Commonwealth.

Section 11.11. Successors and Assigns. All the covenants, promises and agreements in this Indenture contained by or on behalf of the Commission, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 11.12. Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate of an Authorized Officer of the Commission may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Counsel, unless such official or officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an Authorized Officer of the Commission stating that the information with respect to such factual matters is in the possession of the Commission, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 11.13. Parties of Interest. Nothing herein, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Commission, Trustee and the Holders of the Bonds any rights, remedies or claims hereunder or by reason hereof or under or by reason of any covenant, condition or stipulation thereof. All covenants, stipulations, promises and agreements herein contained by or on behalf of the Commission shall be for the sole and exclusive benefit of the Commission, the Trustee and the Holders from time to time of the Bonds.

Section 11.14. Severability of Invalid Provisions. If any one or more of the covenants, stipulations, promises, agreements or obligations provided herein on the part of the Commission or the Trustee to be performed should be held to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, or obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions hereof or of the Bonds.

Section 11.15. Governing Laws. This Indenture shall be governed by and construed in accordance with the laws of the Commonwealth.

Section 11.16. Effective Date. This Indenture shall take effect immediately upon its adoption.

IN WITNESS WHEREOF, the Pennsylvania Turnpike Commission has caused this Indenture to be executed by its Chairman and its official seal to be impressed hereon and attested by its Secretary and Treasurer, and The Bank of New York Mellon Trust Company, N.A., as Trustee, has caused this Indenture to be executed on its behalf by its Authorized Officers and its corporate seal to be impressed hereon and attested by its Authorized Officers, all as of the day and year first above written.

**PENNSYLVANIA TURNPIKE
COMMISSION**

By: _____
Title:

(Seal)

ATTEST:

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

By: _____
Authorized Officer

(Seal)

ATTEST:

EXHIBIT A
FORM OF BOND

No. R- _____ \$ _____

**PENNSYLVANIA TURNPIKE COMMISSION
SPECIAL OBLIGATION BONDS (FEDERALLY TAXABLE)
SERIES 2014**

<u>SERIES ISSUE</u> <u>DATE</u>	<u>DATED DATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>CUSIP</u>
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September 17, 2014

INTEREST RATE:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Pennsylvania Turnpike Commission (the “Commission”), an instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”), for value received, hereby promises to pay or cause to be paid to the registered owner hereof, or registered assigns, on the maturity date shown hereon, the principal amount shown hereon, upon presentation and surrender hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as Trustee (the “Trustee”) under a Trust Indenture dated as of September 1, 2014 between the Commission and the Trustee (the “Indenture”), and to pay or cause to be paid by check or draft drawn on The Bank of New York Mellon Trust Company, N.A., as Trustee, interest on such principal sum, at the interest rate stated hereon, from the June 1 and December 1 (each hereinafter referred to as an “Interest Payment Date”) next preceding the date hereof unless (i) this Bond shall be authenticated after a Record Date (hereinafter defined) and on or before the next succeeding Interest Payment Date, in which case this Bond shall bear interest from such next succeeding Interest Payment Date, or (ii) this Bond shall be authenticated before December 1, 2014, in which case this Bond shall bear interest from September 17, 2014, payable December 1, 2014 and semiannually on each Interest Payment Date thereafter until the obligation with respect to the payment of such principal shall be discharged, but only in the case of interest due at or before maturity, to the person in whose name this Bond shall be registered at the close of business on the Record Date for such interest, which shall be the fifteenth day of the calendar month immediately preceding such Interest Payment Date. Any interest not paid on an Interest Payment Date shall be paid to the persons in whose names the Bonds (as hereinafter defined) are registered as of a Record Date established by the Trustee, notice of which shall have been mailed not less than five days prior to such date to the persons in whose names the Bonds are registered at the close of business on the third day prior to such mailing.

This Bond is one of a duly authorized issue of bonds of the Commission designated Pennsylvania Turnpike Commission Special Obligation Bonds (Federally Taxable), Series 2014 in the aggregate principal amount of \$288,675,000 (the “Bonds”), pursuant to an Act of the General Assembly of Pennsylvania approved on July 18, 2007, P. L. 169, No. 44 (“Act 44”) and various Acts of the General Assembly approved on several dates, including the Act of May 21, 1937, P. L. 774; the Act of May 24, 1945, P. L. 972; the Act of February 26, 1947, P. L. 17; the Act of May 23, 1951, P. L. 335; the Act of August 14, 1951, P. L. 1232; the Act of September 30, 1985, P. L. 240, No. 61 (“Act 61”), to the extent not repealed by Act 44, and the Act of November 25, 2013, P.L. 794, No. 89 (“Act 89”) (collectively, the “Enabling Acts”), under and pursuant to resolutions of the Commission and under and pursuant to the Indenture, to finance the costs of (i) currently refunding all of the Commission’s outstanding 1998 Bonds; (ii) the Capital Project (as defined in the Indenture); and (iii) issuing the Bonds (collectively, the “Project”).

An executed counterpart of the Indenture is on file at the office of the Commission and at the designated corporate trust offices of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds, the Trust Estate (as defined in the Indenture) charged with and pledged to the payment of the interest on, and the principal of, the Bonds, the nature and extent of the security, the terms and conditions on which the Bonds are issued, the rights, duties and obligations of the Commission and the Trustee and the rights of the owners of the Bonds. By the acceptance of this Bond, the registered owner hereof and, if a book entry system is being used for the Bonds, any participant in the owner and any person claiming a beneficial interest under or through such owner or participant assents to all of the provisions of the Indenture.

Whenever the due date for payment of interest or principal of the Bonds shall be a Saturday, a Sunday, a legal holiday or a day on which the Trustee is authorized by law to close, then payment of such interest or principal need not be made on such date, but may be made on the next succeeding day which is not a Saturday, a Sunday, a legal holiday, or a day on which the Trustee is authorized by law to close, with the same force and effect as if made on the due date for payment of principal or interest, and no interest shall accrue thereon for any period after such due date. Principal of, and interest on, this Bond are payable only from the Trust Estate under the Indenture and the Escrow Fund (as defined in the Indenture), in such coin or currency of the United States of America as at the time and place of payment is legal tender for payment of public and private debts.

THE BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION AND SHALL NOT BE DEEMED TO BE DEBT OF THE COMMONWEALTH. THE BONDS SHALL BE PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE) AND THE ESCROW FUND. THE FAITH AND CREDIT OF THE COMMONWEALTH OR ITS TAXING POWER ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL HEREOF OR THE INTEREST HEREON, AND THE COMMONWEALTH IS NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY THE PRINCIPAL OF, OR INTEREST ON THE BONDS OR TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS. THE COMMISSION HAS NO TAXING POWER.

The Bonds are secured as set forth in the Indenture and herein by a pledge by the Commission of the Trust Estate (as defined in the Indenture) and the Escrow Fund.

The Bonds are issuable in the form of registered bonds in denominations of \$5,000 each or any integral multiple thereof. Subject to the conditions and upon payment of the charges, if any, provided in the Indenture, this Bond, upon surrender hereof at the designated corporate trust office of the Bond Registrar in Pittsburgh, Pennsylvania, with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denomination of the same maturity.

The owner of this Bond by the acceptance hereof specifically agrees that the Trustee shall be under no obligation to take any action with respect to any Event of Default occurring under the terms of this Bond or the Indenture, other than to give notice of certain defaults as provided in the Indenture, unless requested so to do in writing by the owners of not less than a majority in principal amount of the Bonds then Outstanding under the Indenture and upon receipt of satisfactory indemnity as provided in the Indenture.

The owner of this 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 proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any Indenture supplemental thereto may be made by the Commission and the Trustee only to the extent and in the circumstances permitted by the Indenture.

All acts conditions and things required by the constitution and statutes of the Commonwealth and the rules and regulations of the Commission to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, and this Indenture have happened, exist and have been performed as so required.

No recourse shall be had for the payment of the principal of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, director, officer or employee, past, present or future, of the Commission or of any successor body, as such, either directly or through the Commission or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

This 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 signed by the Trustee.

IN WITNESS WHEREOF, the Commission has caused this Bond to be executed in its name by the signature of the Chairman of the Commission and the official seal of the Commission to be affixed, imprinted, lithographed or reproduced hereon and attested by the signature of its Secretary/Treasurer or Assistant Secretary/Assistant Treasurer.

Attest:

PENNSYLVANIA TURNPIKE
COMMISSION

(Assistant) Secretary/ (Assistant) Treasurer

Chairman, Pennsylvania Turnpike
Commission

[Commission Seal]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture. Printed hereon is the complete text of the opinion of Dilworth Paxson LLP of Philadelphia, Pennsylvania and Gonzalez Saggio & Harlan LLP of New York, New York, Co-Bond Counsel, dated the date of initial delivery of and payment for the Bonds, a signed original of which is on file with the Trustee and the Bond Register.

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

By: _____
Authorized Signature

Date of Authentication: _____

ABBREVIATIONS

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

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT _____ Custodian _____
(Cust) (Minor)

under Uniform Transfers to Minors Act _____
(State)

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

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints, _____ attorney to transfer the said Bond on the bond register, with full power of substitution in the premises.

Assignor's Signature:

Dated:

Signature guaranteed:

Social Security

Number or Employer

Identification Number of Assignee:

NOTICE: The signature(s) must be guaranteed by a member of an approved Signature Guarantee Medallion Program.

[ATTACH TEXT OF OPINION OF CO-BOND COUNSEL]

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APPENDIX A

2014 ESCROW AGREEMENT

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PENNSYLVANIA TURNPIKE COMMISSION
AND
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS ESCROW AGENT

RELATING TO THE
PENNSYLVANIA TURNPIKE COMMISSION
SPECIAL OBLIGATION BONDS
(FEDERALLY TAXABLE), SERIES 2014

ESCROW DEPOSIT AGREEMENT

DATED AS OF SEPTEMBER 1, 2014

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THIS ESCROW DEPOSIT AGREEMENT, dated as of September 1, 2014 (the “Escrow Agreement”), by and between the PENNSYLVANIA TURNPIKE COMMISSION, a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania (the “Commission”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow agent hereunder and the Trustee (as defined below) (the “Escrow Agent”).

WITNESSETH

WHEREAS, the Commission previously issued its Oil Franchise Tax Senior Revenue Bonds, Series A of 1998, currently outstanding in the principal amount of \$147,550,000, and its Oil Franchise Tax Subordinated Revenue Bonds, Series B of 1998, currently outstanding in the principal amount of \$102,390,000 (collectively, the “1998 Bonds”); and

WHEREAS, on July 16, 2003, the Commission established and funded an irrevocable escrow fund for the 1998 Bonds (the “1998 Bonds Escrow Fund”) with cash from its own funds; and

WHEREAS, on October 3, 2003 and again on November 7, 2003, the Commission restructured the 1998 Bonds Escrow Fund while continuing to ensure that cash and securities in the 1998 Bonds Escrow Fund were sufficient to pay, when due, the principal of and interest on the 1998 Bonds; and

WHEREAS, the Commission has determined that it is necessary and desirable to currently refund the 1998 Bonds and provide funds for certain capital improvements to the Mon-Fayette Expressway/Southern Beltway (the “Capital Project”); and

WHEREAS, pursuant to a Trust Indenture (the “Indenture”), dated as of September 1, 2014, between the Commission and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the Commission has determined to issue its Pennsylvania Turnpike Commission Special Obligation Bonds (Federally Taxable), Series 2014 (the “Bonds”), in an aggregate principal amount of \$288,675,000 for the purposes of financing the costs of (i) currently refunding all of the Commission’s outstanding 1998 Bonds; (ii) the Capital Project; and (iii) issuing the Bonds (collectively, the “Project”) (terms used and not otherwise defined herein shall have the respective meanings ascribed thereto in the Indenture); and

WHEREAS, the principal of and interest on the Bonds shall be payable from the Released Escrow Securities (as listed on Exhibit “B” attached hereto and made a part hereof) and investment earnings thereon that previously secured the 1998 Bonds (the “Released Escrow Amounts”); and

WHEREAS, the sufficiency of the Released Escrow Amounts to pay, when due, the principal and interest on the Bonds has been established through certain mathematical computations verified by PFM Asset Management LLC, a nationally recognized, independent firm whose practice includes the verification of the mathematical accuracy of refunding escrow computations (the “Verification Agent”) as attached as Exhibit “A” and made a part hereof;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth and intending to be legally bound hereby, the parties hereto agree as follows:

Section 1. **Escrow Fund.**

There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated “Pennsylvania Turnpike Commission 2014 Special Obligation Bonds Escrow Fund” (the “Escrow Fund”) which shall consist of the Released Escrow Amounts.

The Escrow Fund shall be held in the custody of the Escrow Agent separate and apart from all other funds of the Commission or of the Escrow Agent as trust funds for the benefit of the Holders of the Bonds.

Section 2. **Escrow Deposit.**

(a) The Commission hereby irrevocably instructs and the Escrow Agent acknowledges receipt of irrevocable instructions from the Commission to deposit the Released Escrow Amounts into the Escrow Fund immediately upon receipt thereof from the Trustee.

(b) The Commission represents, warrants, and certifies to the Escrow Agent that the Released Escrow Securities deposited in the Escrow Fund are Escrow Securities and that the Released Escrow Securities mature at such times and in such amounts such that, based solely upon calculations and certifications made to it by the Verification Agent, the Released Escrow Amounts will be sufficient to pay when due the principal of and interest due and to become due on the Bonds, on and prior to the maturity date thereof. “Escrow Securities” shall mean direct obligations of, or obligations the full and timely payment of which is unconditionally guaranteed by, the United States of America which shall not be subject to redemption or be prepayable prior to maturity and shall not include mutual funds and unit investment trusts which invest in such obligations.

(c) The deposit of the Released Escrow Amounts in the Escrow Fund shall constitute an irrevocable deposit of Escrow Securities and cash, if any, in trust solely for the payment of the principal of and interest on the Bonds on and prior to the maturity date thereof, and the principal of and interest earnings on such Released Escrow Amounts shall be used solely for such purposes.

(d) Any cash in or investment income received in the Escrow Fund not needed at the time of receipt to make payment of the principal of and interest on the Bonds on and prior to the maturity date thereof shall be reinvested by the Escrow Agent at the written direction of the Commission in Defeasance Securities that are either noncallable prior to the date needed to satisfy the requirements to pay debt service on the Bonds as set forth herein or with respect to which the holder has the right to demand the purchase of such obligations on the date needed to satisfy the requirements to pay debt service on the Bonds as set forth herein (the “Reinvestment Securities”). Reinvestment Securities do not include shares or certificates in any fund or trust. The Reinvestment Securities shall mature not later than the date when such funds shall be foreseeably needed for the purposes of this Escrow Agreement in accordance with the calculations and certifications made to it by the Verification Agent as set forth in Exhibit “A” hereto or, if the transactions described in Section 3 hereof have been effected, in accordance with

the most recent written verification delivered pursuant to Section 3 hereof. The Commission hereby directs the Escrow Agent to invest the amounts set forth in Schedules D and E of the Verification Report in zero interest securities, as described in clause (g) of the definition of Defeasance Securities in the Indenture (SLGS), in the amounts and at the times specified therein. If, at the time for such investment, zero interest SLGS are not available, such amounts shall be retained in cash until such zero interest SLGS become available.

(e) Any balance remaining in the Escrow Fund after payment in full of the Bonds, including any balance of investment income received in the Escrow Fund, shall be applied as provided in Section 5 hereof.

(f) The Indenture provides that the transfer of the Released Escrow Amounts by the Trustee to the Escrow Agent and the deposit of the Released Escrow Amounts in the Escrow Fund shall not constitute a defeasance under the Indenture.

Section 3. **Substitution of Escrow Securities.**

The Escrow Agent shall apply the moneys deposited in the Escrow Fund and any amounts from the Released Escrow Securities therein, together with all income or interest earned thereon, in accordance with the provisions hereof and the Indenture. There shall be no substitution of any securities for any other Released Escrow Securities at any time held in the Escrow Fund unless such substituted securities are Escrow Securities, and then only upon the written request of the Commission, which shall be accompanied by the written verification of a nationally recognized, independent firm whose practice includes the verification of the mathematical accuracy of refunding escrow computations, or a nationally recognized independent certified public accountant or a firm of such accountants, satisfactory to the Commission that the principal and interest from such substitute Released Escrow Securities, together with any other amounts available in the Escrow Fund, including, but not limited to, non-substituted Released Escrow Securities, will be sufficient to pay without reinvestment, when due, the principal of and interest on the Bonds.

Section 4. **Payment of Bonds.**

The Escrow Agent is hereby instructed to take, and the Escrow Agent hereby agrees that it will take, all the actions required to be taken by it hereunder for the payment of principal of and interest on the Bonds on the due dates thereof. The Escrow Agent hereby agrees to apply the Released Escrow Amounts to pay principal of and interest on the Bonds on the due dates thereof. Any liability of the Escrow Agent for the payment of the principal of and interest on the Bonds shall be limited to the application of the Released Escrow Amounts and the interest earnings thereon available for such purposes in the Escrow Fund.

(a) The liability of the Escrow Agent to pay the interest on and principal of the Bonds shall be limited to the moneys available from the Escrow Fund.

(b) The obligations of the Escrow Agent to make the transfers from the Escrow Fund and payments from the Escrow Fund required by this Section 4 shall be irrevocable and unconditional and the Escrow Agent agrees to make such payments notwithstanding the

failure to pay when due any amounts owing to the Escrow Agent by the Commission, or any other person, firm, association or corporation whether pursuant to this Escrow Agreement or otherwise. All moneys and investments in the Escrow Fund are to be held by the Escrow Agent for the equal and ratable benefit of the Holders of the Bonds.

(c) Whenever it shall be necessary in order to protect and enforce the rights and interests of the Commission or the Holders of the Bonds under the Released Escrow Securities, the Escrow Agent shall do all such acts as shall be reasonably necessary to receive and collect the principal of, and interest on, the Released Escrow Securities, including the diligent enforcement of the prompt collection of any delinquencies.

Section 5. **Termination of Escrow Fund.**

The Escrow Fund shall terminate when all Bonds and interest thereon have been paid and discharged. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the Commission.

Section 6. **Fees and Expenses.**

In consideration of the services rendered by the Escrow Agent hereunder, the Commission agrees to and shall pay to the Escrow Agent its proper fees and expenses, including all reasonable expenses, charges, counsel fees and other disbursements incurred by it or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, from any moneys of the Commission lawfully available therefor and the Escrow Agent shall have no lien and will not assert any lien whatsoever upon any of the moneys in the Escrow Fund for the payment of such proper fees and expenses or for any other reason.

Section 7. **Irrevocable Trust.**

The trusts hereby created shall be irrevocable and the Holders of the Bonds shall have an express lien on all Released Escrow Amounts deposited in the Escrow Fund and the interest earnings thereon until paid out, used and applied in accordance with this Escrow Agreement and the Indenture.

Section 8. **Liability of Escrow Agent.**

(a) The Escrow Agent shall have no duties or responsibilities with respect to the Escrow Fund and the Released Escrow Amounts other than those expressly set forth in this Escrow Agreement.

(b) The Escrow Agent shall not be required to expend or risk any of its own funds in the performance of its duties hereunder. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct; and shall not be liable for errors in judgment made in good faith unless it has been negligent in ascertaining pertinent facts. The Commission further agrees to defend, indemnify and save the Escrow Agent harmless against and from any claims, liabilities, losses, cash and expenses (including but not limited to attorneys' fees and expenses) which the Escrow Agent may incur (i) in the exercise and performance of its powers and duties hereunder and which are

not due to its negligence or willful misconduct or (ii) due to the negligence, misconduct or default of the Commission.

(c) The Escrow Agent shall have no responsibility with respect to the validity or sufficiency of this Escrow Agreement or the validity of the Bonds. The Escrow Agent may conclusively rely and shall be protected in acting or refraining from acting upon any written opinion, notice, certification, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. In the administration of this Escrow Agreement and the Escrow Fund hereunder, the Escrow Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable or responsible for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons or for misconduct or negligence of agents appointed with due care.

(d) The Escrow Agent shall have the right but not the obligation to require and receive such written certifications or instructions from the Commission as the Escrow Agent reasonably deems necessary before taking any action hereunder.

(e) In the event of the Escrow Agent's failure to account for any of the moneys or investments received by it for deposit to the Escrow Fund pursuant to this Escrow Agreement, said moneys or investments shall be and remain the property of the Commission in irrevocable trust for the Holders of the Bonds as herein provided and, if for any reason such moneys or investments are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

Section 9. **Amendments.**

This Escrow Agreement is made pursuant to and in furtherance of the Indenture and for the benefit of the Holders from time to time of the Bonds and it shall not be repealed, revoked, altered or amended without the written consent of a majority in aggregate principal amount of such Holders and the written consent of the Escrow Agent; provided, however, that the Commission and the Escrow Agent may, without the consent of, or notice to, such Holders, enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such Holders and as shall not be inconsistent with the terms and provisions of this Escrow Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Escrow Agreement;

(b) to grant to or confer upon the Escrow Agent for the benefit of the Holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Holders or the Escrow Agent; and

(c) to subject to the Escrow Fund additional funds, securities or properties;
and

(d) to make any changes required in connection with any initial rating of the Bonds by the Rating Agency.

Prior to entering into an amendment or agreement relating to clause (d) above, if any Rating Agency shall have assigned a rating to the Bonds, the Escrow Agent shall receive notice in writing from such Rating Agency to the effect that such amendment or agreement will not, by itself, result in the withdrawal or reduction of the ratings on the Bonds assigned by such Rating Agency.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification or addition affects the rights of the Holders of the Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

The Commission shall give prior written notice and draft legal documents of any repeal, revocation, severance, alteration or amendment of this Escrow Agreement or of the Indenture with respect to any modification or amendment affecting the Bonds to any Rating Agency.

Section 10. **Resignation or Removal of Escrow Agent.**

(a) The Escrow Agent at the time acting hereunder may resign with the consent of the Commission, provided however that no such resignation shall be effective unless and until a successor Escrow Agent which, in the opinion of the Commission, is willing and able to undertake the functions constituting such service, upon reasonable and customary terms, shall have been appointed by the Commission and shall have accepted such appointment pursuant to valid and binding written agreement or instrument.

(b) Upon receiving the consent of the Commission pursuant to Section 10(a) hereof, the Escrow Agent shall notify the Holders of the Bonds of such resignation by mailing, by first-class mail, postage prepaid, a notice to such effect at the addresses appearing on the registration books of the Commission kept by the Escrow Agent. The successor Escrow Agent shall notify the Holders of the Bonds of its appointment and the effective date of such appointment.

(c) In the event the Escrow Agent hereunder shall resign or shall be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the Commission pursuant to an instrument in writing. The successor Escrow Agent shall give notice of its appointment to the Holders of the Bonds in the manner set forth in subsection (b) of this Section 10.

(d) In the event that no appointment of a successor Escrow Agent shall have been made pursuant to the foregoing provision of this Section within ten (10) days after written notice of the resignation of the Escrow Agent has been given by the Escrow Agent to the Commission, the retiring Escrow Agent, at the expense of the Commission, may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court

may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

(e) No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation or association organized under the banking laws of the United States, or under the laws of the Commonwealth of Pennsylvania, shall be doing business in the Commonwealth of Pennsylvania, shall have trust powers and have at the time of appointment capital and surplus of not less than \$100,000,000.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor, to the Commission, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Commission execute and deliver an instrument transferring to such successor Escrow Agent all moneys and securities held by it to its successor. Should any transfer, assignment or instrument in writing from the Commission be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the Commission.

(g) Any corporation or association into which the Escrow Agent, or any successor to it in the trusts created by this Escrow Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or to which substantially all of the corporate trust business of the Escrow Agent (inclusive of this trust) shall be sold or otherwise transferred, or any corporation or association resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party shall, if it meets the requirements of Section 10(e) hereof, be the successor Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 11. **Default.**

If an event of default shall have happened and shall not have been remedied, the books of record and account and all other records relating to the Escrow Fund shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

Section 12. **Force Majeure.**

In no event shall the Escrow Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Escrow Agent shall use reasonable efforts which

are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 13. **Term.**

This Escrow Agreement shall terminate when all payments and transfers from the Escrow Fund required to be made by the Escrow Agent under the provisions hereof shall have been made.

Section 14. **Severability.**

If any one or more of the covenants or agreement provided in this Escrow Agreement on the part of the Commission or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants or agreement herein contained and shall in no way affect the remaining provisions of this Escrow Agreement.

Section 15. **Parties Benefited.**

Nothing in this Escrow Agreement is intended to or shall be construed to confer upon or to give to any person or party, other than the Commission, the Escrow Agent, or any alternate or successor escrow agent for the Bonds and the Trustee on behalf of the Holders of the Bonds, any rights, remedies or claims under or by reason of this Escrow Agreement or any covenant, conditions, stipulation, promise, agreement and obligation contained in this Escrow Agreement by or on behalf of the Commission, and this Escrow Agreement shall be for the sole and exclusive benefit of the Commission, the Escrow Agent, or any alternate or successor escrow agent for the Bonds and the Trustee on behalf of the Holders of the Bonds. All the covenants, promises and agreements in this Escrow Agreement contained by or on behalf of the Commission or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 16. **Headings.**

The headings of the several sections of this Escrow Agreement are included for ease of reference only and shall not form a part of this Escrow Agreement.

Section 17. **Notices.**

Notices to any party to this Escrow Agreement shall be deemed to have been given or made when sent by facsimile transmission or personally delivered or three business days after being deposited in the mail, first-class postage pre-paid and addressed to:

If to the Commission:

Pennsylvania Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106-7676
Facsimile No.: 717-986-8754

If to the Escrow Agent:

The Bank of New York Mellon Trust Company, N.A.
525 William Penn Place, 38th Floor
Pittsburgh, PA 15259
Attention: Kerry Zombeck, Corporate Trust
Facsimile No.: 412-236-0870

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
525 William Penn Place, 38th Floor
Pittsburgh, PA 15259
Attention: Kerry Zombeck, Corporate Trust
Facsimile No.: 412-236-0870

or at such other address or facsimile phone number as the parties may designate in a notice give in accordance with this Section 17.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Escrow Agreement and delivered using Electronic Means; provided, however, that the Commission shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Commission whenever a person is to be added or deleted from the listing. If the Commission elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent’s understanding of such Instructions shall be deemed controlling. The Commission understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Commission shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Commission and all respective Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Commission. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent

written instruction. The Commission agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Commission; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

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

Section 18. Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Section 19. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers as of the date first above written.

**THE PENNSYLVANIA TURNPIKE
COMMISSION, as Issuer of the Bonds**

[SEAL]

Attest:

By: _____
Nikolaus H. Grieshaber
Chief Financial Officer

By: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Escrow
Agent**

By: _____
Name:
Title:

EXHIBIT A

VERIFICATION REPORT

Available in final form on Closing Date

EXHIBIT B

SCHEDULE OF RELEASED ESCROW SECURITIES

SEC #	REG	CUSIP #	TOT UNITS	DESCRIPTION	COUPON	MATURITY DATE
3536989	06	S35369890	\$ 19,525	US TREAS CTF OF IND SLUG SERV	0.00%	12/1/2014
3542126	06	S35421260	10,997,039	US TREAS BOND SLUG SERV	4.41	12/1/2014
3542127	06	S35421270	11,493,195	US TREAS BOND SLUG SERV	4.55	12/1/2015
3542128	06	S35421280	12,036,798	US TREAS BOND SLUG SERV	4.68	12/1/2016
3542129	06	S35421290	12,611,170	US TREAS BOND SLUG SERV	4.80	12/1/2017
3542130	06	S35421300	13,235,644	US TREAS BOND SLUG SERV	4.91	12/1/2018
3542131	06	S35421310	13,894,726	US TREAS BOND SLUG SERV	5.01	12/1/2019
3542134	06	S35421340	14,612,853	US TREAS BOND SLUG SERV	5.09	12/1/2020
3542135	06	S35421350	15,371,896	US TREAS BOND SLUG SERV	5.15	12/1/2021
3542136	06	S35421360	16,185,549	US TREAS BOND SLUG SERV	5.20	12/1/2022
3542137	06	S35421370	17,048,698	US TREAS BOND SLUG SERV	5.22	12/1/2023
3542138	06	S35421380	25,132,639	US TREAS BOND SLUG SERV	5.23	12/1/2024
3542139	06	S35421390	26,481,540	US TREAS BOND SLUG SERV	5.23	12/1/2025
3542141	06	S35421410	27,891,848	US TREAS BOND SLUG SERV	5.24	12/1/2026
3542144	06	S35421440	29,392,194	US TREAS BOND SLUG SERV	4.76	12/1/2027
		SECURITY TOTALS	\$246,405,314.00			

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