

SUPPLEMENTAL TRUST INDENTURE NO. 2

Dated as of September 1, 2002

by and between

PENNSYLVANIA TURNPIKE COMMISSION

and

WACHOVIA BANK, NATIONAL ASSOCIATION (successor to First Union National Bank), as  
Trustee

Supplementing

AMENDED AND RESTATED TRUST INDENTURE

Originally Dated as of July 1, 1986  
Amended and Restated as of March 1, 2001

Securing

Pennsylvania Turnpike Commission  
Variable Rate Demand Turnpike Revenue Bonds,  
Series B of 2002

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This SUPPLEMENTAL TRUST INDENTURE No. 2 (this "Supplemental Indenture No. 2") is dated as of September 1, 2002, by and between PENNSYLVANIA TURNPIKE COMMISSION (the "Commission"), an instrumentality of the Commonwealth of Pennsylvania, and WACHOVIA BANK, NATIONAL ASSOCIATION (successor to First Union National Bank), as Trustee (the "Trustee"), a national banking association organized and existing under the laws of the United States of America.

RECITALS:

WHEREAS, the Commission has previously issued various series of its Pennsylvania Turnpike Revenue Bonds pursuant to an Indenture of Trust dated as of July 1, 1986 between the Commission and the Trustee, as supplemented and amended from time to time (the "1986 Indenture"; the Turnpike Revenue Bonds issued pursuant to the 1986 Indenture are referred to collectively as the "Bonds"); and

WHEREAS, in order to provide the Commission, among other things, greater flexibility in conducting its operations and in financing its capital needs, the Commission and the Trustee entered into an Amended and Restated Trust Indenture dated as of March 1, 2001 amending and restating the 1986 Indenture in its entirety (the "Restated Indenture"), with such Restated Indenture to become effective upon receipt of the consent of the holders of 100% in principal amount of the outstanding Bonds; and

WHEREAS, upon the issuance of the Series A Bonds (as defined hereinafter) and the Series B Bonds (as defined hereinafter) and the defeasance of the Refunded Bonds (as defined hereinafter), the holders of 100% in principal amount of the outstanding Bonds will have consented to the effectiveness of the Restated Indenture, so that the Restated Indenture will become effective; and

WHEREAS, each of the 1986 Indenture and the Restated Indenture provides that it may be amended without the consent of the Bondholders through the execution of a Supplemental Indenture for purposes, among others, of issuing Additional Bonds; and

WHEREAS, the Commission has by resolution, under the provisions of Section 210 of the Restated Indenture, duly authorized the issuance of Additional Bonds in the aggregate principal amount not to exceed \$160,880,000 in one series of bonds to be issued pursuant to this Supplemental Indenture No. 2 (the Restated Indenture, as amended and supplemented through the date hereof, including by this Supplemental Indenture No. 2 and as it may be further amended and supplemented from time to time, is referred to hereinafter as the "Indenture"); and

WHEREAS, the Commission has designated the Additional Bonds to be issued pursuant to the Indenture and this Supplemental Indenture No. 2 the "Pennsylvania Turnpike Commission, Variable Rate Demand Turnpike Revenue Bonds, Series B of 2002" (the "Series B Bonds") issued in the aggregate principal amount of \$160,880,000; and

WHEREAS, the Series B Bonds are being issued to provide funds for (a) the current refunding of a portion of the Commission's previously issued Pennsylvania Turnpike Revenue Bonds, Series P of 1992 (the "Series P Bonds"); the Series P Bonds to be refunded with proceeds

of the Series B Bonds are referred to as the "Refunded Bonds"); and (b) financing the costs of issuance of the Series B Bonds (collectively, the "Series B Project"); and

WHEREAS, contemporaneously with the issuance of the Series B Bonds, the Commission is issuing \$288,265,000 in principal amount of its Variable Rate Demand Turnpike Revenue Bonds, Series A of 2002 (the "Series B Bonds") to provide funds for the current refunding of the Commission's Turnpike Revenue Bonds, Series O of 1992 (the "Series O Bonds") and the Series P Bonds other than the Series P Bonds being designated Refunded Bonds; and

WHEREAS, the Commission has caused Dexia Crédit Local, acting through its New York Agency (the "Bank"), to enter into a Standby Bond Purchase Agreement dated as of September 1, 2002 (the "Series B Liquidity Facility") with the Commission, pursuant to which the Bank has agreed to purchase, upon request of the Trustee, Series B Bonds tendered for purchase pursuant to this Supplemental Indenture No. 2 and to pay the Purchase Price therefor by paying to the Paying Agent up to (1) an amount equal to the principal of the outstanding Series B Bonds to pay the portion of the Purchase Price corresponding to the principal of Series B Bonds tendered for purchase pursuant to this Supplemental Indenture No. 2 to the extent remarketing proceeds are not available for such purpose, plus (2) an amount equal to 34 days accrued interest on the Series B Bonds bearing interest in the Daily Mode, the Weekly Mode or the Monthly Mode, in each case at a maximum rate of 12% per annum, to pay the portion of the Purchase Price of Series B Bonds tendered for purchase pursuant to this Supplemental Indenture No. 2 corresponding to the accrued interest, if any, on such Series B Bonds to the extent remarketing proceeds are not available for such purpose and to the extent the purchase does not occur on an Interest Payment Date (as defined hereinafter); and

WHEREAS, the Series B Liquidity Facility expires on September 4, 2009, unless terminated earlier pursuant to its terms or extended, and unless the Series B Liquidity Facility is extended or replaced in accordance with the terms of this Supplemental Indenture No. 2, the Series B Bonds will become subject to mandatory tender for purchase; and

WHEREAS, all things necessary to make the Series B Bonds, when authenticated and issued as provided in the Indenture, the valid, binding and legal obligations of the Commission according to the import thereof, and the creation, execution and delivery of this Supplemental Indenture No. 2, and the creation, execution and issuance of the Series B Bonds, subject to the terms hereof, have in all respect been duly authorized;

## **NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE NO. 2**

### **WITNESSETH:**

In addition to the granting clauses set forth in the Restated Indenture, and as from time to time further amended and supplemented, the Commission, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Series B Bonds by the owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on, and Purchase Price of, the Series B Bonds according to their tenor and effect, and to secure the performance and observance by the

Commission of all the covenants expressed or implied herein and in the Series B Bonds, does hereby sell, assign, transfer, set over and pledge to the Trustee, its successors in the trust and to its and their assigns forever, to the extent provided in the Indenture, the Trust Estate;

TO HAVE AND TO HOLD all and singular the Trust Estate whether now owned or hereafter acquired unto the Trustee and its respective successors in trust and assigns forever, so that the principal of, premium, if any, and interest on all Bonds, including any Bank Bonds as defined hereinafter, shall be equally and proportionately secured hereby, except as may be otherwise provided in the Indenture.

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ARTICLE I  
DEFINITIONS

1.1 Additional Definitions.

All terms used as defined terms in the Restated Indenture, as amended and supplemented from time to time, are used with the same meanings herein (including the use thereof in the recitals and granting clause hereof) unless expressly given a different meaning herein or unless the context clearly otherwise requires. All terms used herein which are defined in the recitals hereto shall have the meanings given to the same therein unless the context clearly otherwise requires and, in addition, the following terms shall have the meanings specified below:

"Affiliate" means any person or entity directly or indirectly controlling, controlled by or under common control with the Commission.

"Authenticating Agent" shall mean, with respect to the Series B Bonds, each Person designated and authorized to authenticate the Series B Bonds. The initial Authenticating Agent shall be Wachovia Bank, National Association.

"Authorized Denominations" shall mean, while the Series B Bonds are in the Daily Mode, the Weekly Mode, the Monthly Mode, the Commercial Paper Mode, or a Term Mode for a Term Rate Period of fewer than three Semiannual Periods, \$100,000 and integral multiples of \$5,000 in excess of \$100,000, and while the Series B Bonds are in a Term Mode equal to three or more Semiannual Periods or in the Fixed Rate Mode, \$5,000 and integral multiples of \$5,000.

"Bank" means, with respect to the Series B Bonds, Dexia Crédit Local, acting through its New York Agency, its successors and assigns, as issuer of the original Series B Liquidity Facility, and the bank or other financial institution issuing any replacement Series B Liquidity Facility.

"Bank Bonds" shall have the meaning specified in Section 4.5(b).

"BMA Index Rate" means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Bond Market Association ("BMA") or any person acting in cooperation with or under the sponsorship of BMA and acceptable to the Commission and the Remarketing Agent for the Series B Bonds, and effective from such date.

"Bondholder" or "Owner" means the registered owner of any Bond.

"Business Day" means, with respect to the Series B Bonds, any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in Philadelphia, Pennsylvania or in any other city in which the Office of the Trustee, the Paying Agent, the Remarketing Agent or the Bank is located are required or authorized by law (including executive order) to close or on which the Office of the Trustee, the Paying Agent, the Remarketing Agent or the Bank is closed



for reasons not related to financial condition or (iii) a day on which the New York Stock Exchange is closed.

"Code" means, with respect to the Series B Bonds, the Internal Revenue Code of 1986, as amended, including any amendments and successor provisions thereto, and the rules and regulations thereunder.

"Commercial Paper Mode" means the mode while Series B Bonds are bearing interest at a Commercial Paper Rate.

"Commercial Paper Rate" means the rate of interest borne by the Series B Bonds determined pursuant to Section 3.5.

"Commercial Paper Rate Calculation Date" means, while the Series B Bonds are in the Commercial Paper Mode, the first day of the Commercial Paper Rate Period.

"Commercial Paper Rate Period" means, while any Series B Bonds bear interest at a Commercial Paper Rate, a period from one to 270 days in length as selected by the Commission (or as selected by the Remarketing Agent within parameters specified by the Commission in writing), which period or parameters shall be designated in the Commission's notice of election to convert any Series B Bonds to the Commercial Paper Mode pursuant to Section 3.8(c), provided that (i) each Commercial Paper Rate Period for any Series B Bond shall end on a day immediately prior to a Business Day, (ii) the first Commercial Paper Rate Period for any Series B Bonds following a conversion from a Term Mode, the Daily Mode, the Weekly Mode or the Monthly Mode to the Commercial Paper Mode shall commence on the related Conversion Date of such conversion and end on the day immediately preceding a Business Day or the day immediately preceding the maturity date of such Series B Bonds, and (iii) if a Series B Liquidity Facility is then in effect, no Commercial Paper Rate Period may be established (A) that is longer than a period equal to the maximum number of days' interest coverage provided by such Series B Liquidity Facility minus 15 days or (B) which extends beyond the remaining term of such Series B Liquidity Facility minus 5 days.

"Commission Bonds" means any Series B Bonds ownership of which is registered in the name of the Commission or any Affiliate.

"Conversion Date" means any date on which the Rate Mode of the Series B Bonds is converted to another Rate Mode pursuant to Section 3.8, provided that if any Conversion Date that is an Interest Payment Date is not a Business Day, the Conversion Date shall be the first Business Day immediately following such Interest Payment Date.

"Counsel" means an attorney at law or law firm (who may be counsel for the Commission) satisfactory to the Trustee.

"Daily Mode" means the mode of bearing interest on the Series B Bonds at a Daily Rate.

"Daily Rate" means the rate of interest borne by the Series B Bonds determined pursuant to Section 3.2.

"Draw," "draw," "drawing" or "drawn," when used with respect to the Series B Liquidity Facility means a request by the Trustee to the Bank to make funds available to the Trustee for the purchase of Series B Bonds.

"DTC" means The Depository Trust Company (a limited purpose trust company), New York, New York.

"Expiration Date" means the stated expiration date of the Series B Liquidity Facility, as such date may be extended from time to time by the Bank.

"Favorable Opinion" means an opinion of nationally recognized bond counsel addressed to the Commission, the Trustee, the Remarketing Agent and the Paying Agent to the effect that (i) the action proposed to be taken is authorized or permitted by the Enabling Acts and the Indenture and (ii) such action will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Series B Bonds.

"Fitch" means, with respect to the Series B Bonds, Fitch Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Commission.

"Fixed Rate" means the rate of interest borne by the Series B Bonds determined pursuant to Section 3.7.

"Fixed Rate Mode" means the mode of bearing interest on the Series B Bonds at a Fixed Rate.

"General Debt Service Subaccount" means the subaccount so designated established pursuant to Section 5.2 in the Series B Debt Service Account of the Debt Service Fund with the Paying Agent.

"Immediate Termination Event" means, while the initial Series B Liquidity Facility is in effect, each of the Events of Default described in Section 7.1 (b)(i), (h), (i), (j), (k) or (m) of the Series B Liquidity Facility. In the event the Initial Series B Liquidity Facility is replaced by a replacement Series B Liquidity Facility, "Immediate Termination Event" shall have the meaning set forth in the Series B Liquidity Facility then in effect.

"Indenture" means the Restated Indenture as previously amended and supplemented and as further amended and supplemented by this Supplemental Indenture No. 2, and as further amended or supplemented at the time in question.

"Interest Payment Date" means, with respect to any Series B Bonds (i) while such Series B Bonds are bearing interest at a Daily Rate, the first Business Day of each calendar month, (ii) while such Series B Bonds are bearing interest at a Weekly Rate or a Monthly Rate, the first Business Day of each calendar month, (iii) while such Series B Bonds are bearing interest at a Daily Rate, Commercial Paper or Weekly Rate, any Conversion Date which is not an Interest Payment Date pursuant to clause (i) or (ii) above, (iv) while such Series B Bonds are bearing interest at a Term Rate for a Term Rate Period, each Semiannual Date for such Term Rate

Period, (v) while such Series B Bonds are bearing interest at a Commercial Paper Rate, the day after the last day of the applicable Commercial Paper Rate Period, and (vi) following conversion of such Series B Bonds to the Fixed Rate, each Semiannual Date selected by the Commission pursuant to Section 3.7.

"Monthly Mode" means, with respect to the Series B Bonds, the mode of bearing interest thereon at a Monthly Rate.

"Monthly Rate" means the rate of interest borne by the Series B Bonds determined and adjusted monthly for each Monthly Rate Period pursuant to Section 3.4.

"Monthly Rate Calculation Date" means the last Business Day of each calendar month.

"Monthly Rate Period" means, while the Series B Bonds bear interest at a Monthly Rate, the period which begins on the first Business Day of each calendar month and ends and includes the day preceding the first Business Day of the next succeeding calendar month, except that (i) the first Monthly Rate Period following a conversion from a Daily Mode, Weekly Mode, Commercial Paper Mode or Term Mode to the Monthly Mode shall commence on the Conversion Date of such conversion and end on and include the last day preceding the first Business Day of the succeeding calendar month; and (ii) in the case of conversion from the Monthly Mode to the Daily Mode, the Weekly Mode, the Commercial Paper Mode, a Term Mode or the Fixed Rate Mode, the last Monthly Rate Period prior to such conversion shall end on and include the last day immediately preceding the Conversion Date of such conversion.

"Moody's" means, with respect to the Series B Bonds, Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Commission.

"Nominal Term Rate Period" means, with respect to a Term Mode, a period of one or more Semiannual Periods.

"Office" of an entity means its office at the address set forth in Section 13.3, or any other office designated in writing by such entity to the Commission, the Trustee, the Paying Agent, the Remarketing Agent, and the Bank as the Office of such entity for purposes of this Supplemental Indenture No. 2; provided that, for the purposes of the definition of "Business Day" herein, the Office of the Trustee shall be the corporate trust office of the Trustee designated in writing by the Trustee to the Commission, the Remarketing Agent and the Bank, the Office of the Paying Agent shall be the corporate trust office of the Paying Agent designated in writing to the Commission, the Remarketing Agent and the Bank and the Office of the Bank shall be its office at which drawing documents are required to be presented under the Series B Liquidity Facility.

"Outstanding" in connection with Series B Bonds means, as of the time in question, all Series B Bonds authenticated and delivered under the Indenture, except:

- A. Series B Bonds theretofore canceled or required to be canceled under Article II of the Restated Indenture;
- B. On or after any purchase date for Series B Bonds to be purchased pursuant to Article IV, all Undelivered Series B Bonds which are purchased on such date, provided that funds sufficient for such purchase are on deposit with the Paying Agent;
- C. Series B Bonds which are deemed paid in accordance with Article XIII hereof and Article XII of the Restated Indenture; and
- D. Series B Bonds in substitution for which other Series B Bonds have been authenticated and delivered pursuant to Article II hereof and Article II of the Restated Indenture.

Notwithstanding any provision herein or in the Restated Indenture to the contrary, any Series B Bonds that are Bank Bonds shall be deemed Outstanding until all obligations of the Commission to the Bank under the Series B Liquidity Facility have been satisfied. In determining whether the Owners of a requisite aggregate principal amount of Series B Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof, Commission Bonds and any other Series B Bonds which the Trustee knows to be owned by the Commission or an Affiliate (unless all of the Outstanding Series B Bonds are then Commission Bonds) shall be disregarded for the purpose of any such determination.

"Owner" or "Bondholder" means the registered owner of a Bond.

"Paying Agent" means, with respect to the Series B Bonds, any national banking association having trust powers, bank and trust company or trust company appointed as such by the Commission and accepting such appointment for the time being pursuant to Article IX. The initial Paying Agent is Wachovia Bank, National Association, a national banking association having a corporate trust office in Philadelphia, Pennsylvania.

"Prevailing Market Conditions" means, to the extent relevant (in the professional judgment of the Remarketing Agent) at the time of the establishment of an interest rate for the Series B Bonds in accordance with this Supplemental Indenture No. 2, (a) any past sales of, or efforts to sell, the Series B Bonds at a Purchase Price equal to the principal amount thereof, plus accrued interest thereon; (b) interest rates for comparable securities (i) with interest rate periods and demand purchase options substantially the same as the Series B Bonds and bearing interest at a variable rate intended to maintain their secondary market price at the principal amount thereof, plus accrued interest thereon, and (ii) rated by a national credit rating agency in the same category as the Series B Bonds if rated at the time; (c) other financial market rates and indices that may have a bearing on the rate of interest (which may include, without limitation, rates and rate periods borne by comparable securities, commercial paper, urban renewal project notes and United States Treasury obligations, commercial bank prime rates, certificate of deposit rates, federal funds rates, and the London Interbank Offered Rate); (d) general financial market conditions (including current forward supply) that may have a bearing on the rate of interest; (e) the financial condition, results of operations and credit standing of the Bank and/or

the Commission to the extent such standing has a bearing on the rate of interest of the Series B Bonds; and (f) any other relevant factor effecting the marketability of the Series B Bonds.

"Purchase Date" means (a) with respect to any optional tender for purchase pursuant to Section 4.1 of Series B Bonds in the Daily Mode or the Weekly Mode, any Business Day designated as the date of such purchase pursuant to such Section; (b) with respect to any optional tender for purchase pursuant to Section 4.1 of Series B Bonds in the Monthly Mode, the first Business Day of the month designated as the date of such purchase pursuant to such Section; (c) with respect to any mandatory purchase pursuant to Section 4.2, (1) in the case of Series B Bonds which are to be purchased upon conversion from one Rate Mode to another Rate Mode pursuant to Section 3.8, the Conversion Date, (2) in the case of Series B Bonds designated for a proposed conversion as to which the Commission determines not to effect such conversion pursuant to Section 3.8(c), the proposed Conversion Date, (3) in the case of Series B Bonds which are to be purchased upon expiration of a Term Rate Period, the first Business Day following the end of such Term Rate Period, and (4) in the case of Series B Bonds which are to be purchased upon expiration of a Commercial Paper Rate Period, the first day after the last day of such Commercial Paper Rate Period; (d) with respect to any mandatory purchase pursuant to Section 4.3, the mandatory tender date as defined in Section 4.3(a); and (e) with respect to any mandatory purchase pursuant to Section 4.4, the effective date of the new Series B Liquidity Facility or the date three (3) days prior to the date of termination of the existing Series B Liquidity Facility (or, if such date is not a Business Day, the next preceding Business Day), as applicable.

"Purchase Price" means the principal of any Series B Bond tendered for purchase pursuant to Article IV plus all accrued interest thereon through the Purchase Date for such Series B Bond.

"Rate Mode" means the Daily Mode, the Weekly Mode, the Monthly Mode, the Commercial Paper Mode, a Term Mode or the Fixed Rate Mode.

"Rating Service" means Moody's if the Series B Bonds are rated by such at the request of the Commission at the time, S & P if the Series B Bonds are rated by such at the request of the Commission at the time and Fitch if the Series B Bonds are rated by such at the request of the Commission at the time, and their respective successors and assigns, or if any of them shall be dissolved or no longer assigning credit ratings to long term debt, then any other nationally recognized entity assigning credit ratings to long term debt designated by the Commission and satisfactory to the Trustee.

"Rebate Fund" means the fund so designated which is authorized to be established pursuant to Section 5.5.

"Record Date" means, as the case may be, the applicable Regular or Special Record Date.

"Regular Record Date" for the Series B Bonds means, while the Series B Bonds are in the Daily Mode, Weekly Mode, Monthly Mode or Commercial Paper Mode, the close of business on the last Business Day preceding an Interest Payment Date, and while the Series B Bonds are in a Term Mode or the Fixed Rate Mode, the close of business on the fifteenth day of the calendar month immediately preceding an Interest Payment Date.

"Remarketing Agent" means RBC Dain Rauscher Inc., New York, New York, and its successor for the time being in such capacity as provided in Article X.

"Remarketing Agreement" means the Remarketing Agreement dated as of September 1, 2002 between the Commission and the Remarketing Agent or any subsequent remarketing agreement executed by the Commission and any subsequent Remarketing Agent appointed pursuant hereto.

"Representation Letter" means the representation letter from the Commission, the Trustee, the Remarketing Agent and the Paying Agent to DTC dated the Series Issue Date or, if the Commission has executed and delivered a Blanket Letter of Representations in favor of DTC, such Blanket Letter of Representations.

"S & P" means, with respect to the Series B Bonds, Standard & Poor's Ratings Group, a division of McGraw-Hill, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S & P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Remarketing Agent with the consent of the Commission and the Bank.

"Semiannual Date" means each date selected by the Commission and set forth in a notice of conversion to a Term Mode or the Fixed Rate Mode delivered pursuant to Section 3.7 or Section 3.8, which dates shall be the first day of a calendar month and shall be approximately six months apart.

"Semiannual Period" means a six month period commencing on a Semiannual Date and ending on and including the day immediately preceding the next Semiannual Date.

"Series Issue Date" means, with respect to the Series B Bonds, September 5, 2002, the date of original issuance of the Series B Bonds.

"Series B Commission Purchase Account" means the special trust account so designated established by the Paying Agent pursuant to Section 4.1(h).

"Series B Clearing Fund" means the fund so designated established pursuant to Section 5.1.

"Series B Bond" or "Series B Bonds" means any bond or bonds authenticated and delivered under this Supplemental Indenture No. 2.

"Series B Liquidity Facility" means the original Series B Liquidity Facility described in the foregoing recitals or any standby bond purchase agreement or other similar facility that provides for payment of the Purchase Price of Series B Bonds tendered for purchase pursuant to Section 4.1, 4.2, 4.3 or Section 4.4 substituted therefor or any replacement Series B Liquidity Facility delivered to the Trustee pursuant to Section 6.7.

"Series B Liquidity Facility Purchase Account" means the special trust account so designated established by the Paying Agent pursuant to Section 4.1(g).

"Series B Remarketing Proceeds Purchase Account" means the special trust account so designated established by the Paying Agent pursuant to Section 4.1(f).

"Series R Bonds" means the Pennsylvania Turnpike Commission Turnpike Revenue Bonds, Series R of 2001.

"Series S Bonds" means the Pennsylvania Turnpike Commission Turnpike Revenue Bonds, Series S of 2001.

"Series T Bonds" means the Pennsylvania Turnpike Commission Turnpike Revenue Bonds, Series T of 2001.

"Series U Bonds" means the Pennsylvania Turnpike Commission Variable Rate Demand Turnpike Revenue Bonds, Series U of 2001.

"Special Record Date" means, with respect to the Series B Bonds, the date eight days immediately preceding the date established by the Trustee for the payment of interest on the Series B Bonds not paid on a regularly scheduled Interest Payment Date.

"State" means the Commonwealth of Pennsylvania.

"Tax Regulatory Certificate" means the Tax Regulatory and Non-Arbitrage Certificate dated the Series Issue Date executed by the Commission in connection with the issuance of the Series B Bonds.

"Term Mode" means, with respect to the Series B Bonds, the mode of bearing interest thereon at Term Rates based on a constant Nominal Term Rate Period.

"Term Rate" means the rate of interest borne by the Series B Bonds for a Term Rate Period determined pursuant to Section 3.6.

"Term Rate Calculation Date" means a Business Day not more than 15 days and not less than one day prior to the first day of the corresponding Term Rate Period.

"Term Rate Period" means a period of one or more Semiannual Periods equal to the applicable Nominal Term Rate Period determined pursuant to Section 3.6 commencing on the Semiannual Date immediately following the last day of the immediately preceding Term Rate Period and running through and ending on the day immediately preceding the Semiannual Date which follows such commencement date by a period equal to such Nominal Term Rate Period, except that (i) if the Series B Bonds are initially issued in a Term Mode, the first Term Rate Period shall commence on the Series Issue Date, and (ii) the first Term Rate Period after conversion from a Daily Rate, Weekly Rate, Commercial Paper Rate or Monthly Rate to a Term Rate shall commence on the Conversion Date of such conversion and end on the day immediately preceding the Semiannual Date which follows the Semiannual Date occurring on or immediately preceding the Conversion Date of such conversion by a period equal to the applicable Nominal Term Rate Period.

"Term Rate Period End Interest Payment Date" means the Semiannual Date immediately following the last day of a Term Rate Period.

"Undelivered Series B Bonds" means any Series B Bonds (or portions of Series B Bonds) subject to purchase pursuant to Section 4.1, 4.2 or 4.3 which the Owner has failed to deliver as described in Section 4.1(k), 4.2(j), 4.3(k) or 4.4(k).

"Weekly Mode" means, with respect to the Series B Bonds, the mode of bearing interest thereon at a Weekly Rate.

"Weekly Rate" means the rate of interest borne by the Series B Bonds determined and adjusted weekly for each Weekly Rate Period pursuant to Section 3.3.

"Weekly Rate Calculation Date" means, while the Series B Bonds are in the Weekly Mode, Wednesday in each calendar week or, if any Wednesday is not a Business Day, the first Business Day preceding or succeeding such Wednesday (as determined by the Remarketing Agent).

"Weekly Rate Period" means, while the Series B Bonds bear interest at a Weekly Rate, the weekly period which begins on Thursday of each calendar week and ends at the close of business on Wednesday of the immediately following calendar week; except that (i) if the Series B Bonds are initially issued in the Weekly Mode, the first Weekly Rate Period shall commence on the Series Issue Date and end on and include the first Wednesday occurring after the Series Issue Date, (ii) the first Weekly Rate Period for any Series B Bonds following a conversion from a Term Mode, the Daily Mode, the Commercial Paper Mode or the Monthly Mode to the Weekly Mode shall commence on the Conversion Date of such conversion and end on and include the first Wednesday occurring after such date, and (iii) in the case of conversion from the Weekly Mode to a Term Mode, the Daily Mode, the Commercial Paper Mode, the Monthly Mode or the Fixed Rate Mode, the last Weekly Rate Period prior to such conversion shall end on and include the last day immediately preceding the Conversion Date of such conversion.

## 1.2 Rules of Construction; Time of Day.

In this Supplemental Indenture No. 2, unless otherwise indicated, (i) defined terms may be used in the singular or the plural, (ii) the use of any gender includes all genders, (iii) the words "hereof", "herein", "hereto", "hereby" and "hereunder" (except in the form of Series B Bonds) refer to this Supplemental Indenture No. 2, and (iv) all references to particular Articles or Sections are references to the Articles or Sections of this Supplemental Indenture No. 2. References to any time of the day in this Supplemental Indenture No. 2 shall refer to eastern standard time or eastern daylight saving time, as in effect in the City of New York, New York on such day. All references to rating categories established by a Rating Service shall be without reference to subcategories.

(End of Article I)



ARTICLE II  
THE SERIES B BONDS

2.1 Amount, Form and Issuance of Bonds.

(a) Except as provided in Section 216 of the Original Indenture, the Series B Bonds shall be limited to \$160,880,000 in aggregate principal amount. An aggregate principal amount of \$160,880,000 of Series B Bonds are authorized for issuance pursuant to this Supplemental Indenture No. 2, all of which will be issued on the Series Issue Date. The Series B Bonds shall contain substantially the terms recited in the form of Series B Bond attached hereto as Exhibit A. All Series B Bonds shall provide that principal (or redemption price) and interest in respect thereof shall be payable only out of the Trust Estate. The Commission shall cause a copy of the text of the opinion of nationally recognized bond counsel delivered in connection with the issuance of the Series B Bonds to be printed on or attached to such Series B Bonds, and shall cause to be placed on deposit with the Authenticating Agents executed counterparts of such opinion. An Authenticating Agent shall certify to the correctness of the copy appearing on the Series B Bonds by manual or facsimile signature. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Series B Bonds. The Series B Bonds may bear such endorsement or legend satisfactory to the Paying Agent as may be required to conform to usage or law with respect thereto.

(b) Series B Bonds authenticated and delivered while the Series B Bonds are in the Daily Mode shall set forth on the face side thereof, in the place provided for designating the interest rate, the words "Daily Rate."

(c) Series B Bonds authenticated and delivered while the Series B Bonds are in the Weekly Mode shall set forth on the face side thereof, in the place provided for designating the interest rate, the words "Weekly Rate."

(d) Series B Bonds authenticated and delivered while the Series B Bonds are in the Monthly Mode shall set forth on the face side thereof in the place provided for designating the interest rate, the words "Monthly Rate."

(e) Series B Bonds authenticated and delivered while the Series B Bonds are in a Term Mode shall set forth on the face side thereof, in the place provided for designating the interest rate, the words "\_\_\_\_% Term Rate for Term Rate Period ending \_\_\_\_\_ 1, \_\_\_\_", with such blanks appropriately completed. Bonds of each maturity authenticated and delivered after the Series B Bonds are converted to the Fixed Rate Mode shall set forth on the face side thereof, in the place provided for designating the interest rate, the Fixed Rate applicable to Series B Bonds of such maturity.

(f) Series B Bonds authenticated and delivered while the Series B Bonds are in the Commercial Paper Mode shall set forth on the face side thereof, in the place provided for designating the interest rate, the words "Commercial Paper Rate for Commercial Paper Rate Period ending \_\_\_\_\_, \_\_\_\_."

(g) Upon the execution and delivery hereof, the Commission shall execute the Series B Bonds in the aggregate principal amount of \$160,880,000 and deliver them to an Authenticating Agent for authentication. At the direction of the Commission, such Authenticating Agent shall authenticate the Series B Bonds and deliver them to the purchasers thereof.

2.2 Designation, Denominations, Maturity Dates, Interest Accrual and Tender.

(a) The Series B Bonds shall be designated "Pennsylvania Turnpike Commission Variable Rate Demand Turnpike Revenue Bonds, Series B of 2002."

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

(c) All of the Series B Bonds shall mature on December 1, 2012, subject to prior redemption as provided in Article VII and in the form of Series B Bond attached to this Indenture as Exhibit A.

(d) The Series B Bonds shall have a "Series Issue Date" which shall be September 5, 2002, the date of original issuance and first authentication and delivery against payment therefor, and which shall be set forth on the face side of all Series B Bonds authenticated by the Paying Agent. Series B Bonds issued prior to the first Interest Payment Date following the Series Issue Date shall have a "Dated Date" which is the same as the Series Issue Date. Series B 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 Series B 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 Paying Agent, interest on the Series B Bonds shall be in default, Series B Bonds issued in exchange for Series B 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 Series B Bonds, the Series Issue Date of the Series B Bonds.

(e) The Series B Bonds shall bear interest from and including the Dated Date thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. Interest on the Series B Bonds shall be determined as provided in Article III. Interest on the Series B Bonds shall be paid on each Interest Payment Date. Each Series B Bond shall bear interest on overdue principal at the rates borne by the Bonds during such time. Interest on the Series B Bonds at a Daily Rate, Weekly Rate, Commercial Paper Rate or Monthly Rate shall be computed on the basis of a year of 365 or 366 days, as applicable, for the number of days actually elapsed. Interest accruing on the Series B Bonds at a Term Rate or a Fixed Rate shall be computed on the basis of a 360-day year of twelve 30-day months.

(f) The Series B Bonds shall be subject to optional and mandatory tender for purchase as provided in Article IV.

(g) Any Series B Bond authenticated and delivered after the last Interest Payment Date preceding the termination of the Series B Liquidity Facility supporting such Series B Bonds shall have noted on the face thereof that the Series B Liquidity Facility has expired and no longer supports payment of such Series B Bond and any other information which the Commission deems appropriate, unless a replacement Series B Liquidity Facility meeting the requirements of Section 6.7 has been delivered in respect of such Series B Bond.

(h) Any Series B Bonds that shall become Bank Bonds pursuant to the Series B Liquidity Facility shall bear interest and become payable at such times and in such amounts as are set forth in the Series B Liquidity Facility, notwithstanding any provisions in this Supplemental Indenture No. 2 to the contrary.

### 2.3 Book Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section, the registered owner of all of the Series B Bonds shall be DTC and the Series B Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on any Series B Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of immediately available funds to the account of Cede & Co. on the Interest Payment Date for the Series B Bonds at the address indicated on the Regular Record Date or Special Record Date for Cede & Co. in the Bond Register kept by the Paying Agent.

(b) The Series B Bonds shall be initially issued in the form of separate single fully registered Series B Bonds, authenticated by the Paying Agent in the amount of each separately stated maturity of the Series B Bonds. Upon initial issuance, the ownership of such Series B Bonds shall be registered in the registry books of the Commission kept by the Paying Agent in the name of Cede & Co., as nominee of DTC. The Paying Agent and the Commission shall treat DTC (or its nominee) as the sole and exclusive owner of the Series B Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Series B Bonds, selecting the Series B Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of Series B Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Paying Agent nor the Commission shall be affected by any notice to the contrary. Neither the Paying Agent nor the Commission shall have any responsibility or obligation to any DTC participant, any Person claiming a beneficial ownership interest in the Series B Bonds under or through DTC or any DTC participant, or any other Person which is not shown on the registration books of the Paying Agent as being a Series B Bondholder, with respect to: (i) the accuracy of any records maintained by DTC or any DTC participant; (ii) the payment of DTC or any DTC participant of any amount in respect of the principal or redemption price of or interest on the Series B Bonds; (iii) any notice which is permitted or required to be given to Bondholders under the Indenture; (iv) the selection by DTC or any DTC participant of any Person to receive payment in the event of a partial redemption of the Series B Bonds; or (v) any consent given or other action taken by DTC as holder of the Series B Bonds. The Paying Agent shall pay all principal of and premium, if any, and interest on the Series B Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the Commonwealth of Pennsylvania), DTC and all such payments shall be valid and effective to fully satisfy and discharge the Commission's obligations with respect to the principal of and premium, if any, and interest on the Series B Bonds to the extent of the sum

or sums so paid. No Person other than DTC shall receive an authenticated Series B Bond for each separately stated maturity evidencing the obligation of the Commission to make payments of principal of and premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Indenture shall be deemed to be changed to reflect such new nominee of DTC.

(c) In the event the Commission determines, and notifies the Trustee of such determination, that it is in the best interest of the Commission and/or the Beneficial Owners of Series B Bonds that the Beneficial Owners be able to obtain Series B Bond certificates, the Trustee shall notify DTC and the Paying Agent, whereupon DTC will notify the DTC participants of the availability through DTC of Series B Bond certificates. In such event, the Paying Agent shall deliver, transfer and exchange Series B Bond certificates as directed by DTC as the Series B Bondholder in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series B Bonds at any time by giving notice to the Commission and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Commission and the Paying Agent shall be obligated to deliver Series B Bond certificates as directed by DTC. In the event Series B Bond certificates are issued, the provisions of the Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the Commission and the Paying Agent to do so, the Paying Agent and the Commission will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series B Bonds to any DTC participant having Series B Bonds credited to its DTC account, or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series B Bonds.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series B Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series B Bond and all notices with respect to such Series B Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Series B Bondholders pursuant to the Indenture by the Commission or the Paying Agent with respect to any consent or other action to be taken by Series B Bondholders, the Commission or the Paying Agent, as the case may be, shall establish a record date for such consent or other action and give DTC as sole Series B Bondholder notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Series B Bondholder.

(f) Anything herein to the contrary notwithstanding, so long as any Series B Bonds are registered in the name of DTC or any nominee thereof, in connection with any optional tender of such Series B Bonds, the beneficial owners of such Series B Bonds shall be responsible for submitting the Bondholder Tender Notice to the Remarketing Agent and the Trustee and the Remarketing Agent shall be entitled to rely on the representations of any beneficial owner of Series B Bonds contained in any Bondholder Tender Notice submitted by such beneficial owner,

including representations that such beneficial owner is the beneficial owner of the Series B Bonds identified in such notice.

(g) Upon remarketing of Series B Bonds in accordance with Article IV, payment of the Purchase Price thereof shall be made to DTC and no surrender of certificates is expected to be required. Such sale shall be made through DTC participants (which may include the Remarketing Agent) and the new beneficial owners of such Series B Bonds shall not receive delivery of Series B Bond certificates, DTC shall transmit payment to DTC participants, and DTC participants shall transmit payment to beneficial owners whose Series B Bonds were purchased pursuant to remarketing. Neither the Commission, the Trustee, the Paying Agent nor the Remarketing Agent shall be responsible for transfers of payment to DTC participants or beneficial owners.

(h) The provisions of this Section are subject to the provisions of Section 4.5 relating to Bank Bonds.

2.4 Conditions Precedent to Issuance of Series B Bonds. Before the Series B Bonds shall be authenticated by an Authenticating Agent and delivered by the Trustee or its agent, the Paying Agent to the purchasers thereof, there shall be filed with the Trustee the following documents:

(a) A copy certified by a Commission Official of the resolution or resolutions of the Commission authorizing (1) the execution and delivery of this Supplemental Indenture No. 2 providing for, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates and redemption provisions of the Series B Bonds, and (2) the issuance, sale, execution and delivery of the Series B Bonds;

(b) An original executed counterpart of this Supplemental Indenture No. 2;

(c) An opinion or opinions of Bond Counsel, addressed to the Commission and the Trustee, to the effect that (1) issuance of the Series B Bonds is permitted under the Indenture, (2) each of this Supplemental Indenture No. 2 and the Series B Bonds has been duly authorized, executed and delivered and is a valid, binding and enforceable obligation of the Commission, subject to bankruptcy, equitable principles and other standard legal opinion exceptions and (3) interest on the Series B Bonds is not included in gross income for federal income tax purposes under the Code;

(d) A request and authorization of the Commission, signed by a Commission Official, to the Trustee to authenticate and deliver the Series B Bonds to such Person or persons named therein after confirmation of payment to the Trustee for the account of the Commission of a specified sum (which may include directions as to the disposition of such of such sum);

(e) A certificate of the Commission, signed by a Commission Official, that the Commission is not in default under the Indenture and evidence satisfactory to the Trustee that, upon issuance of the Series B Bonds, amounts will be deposited in the Funds under the Indenture and this Supplemental Indenture No. 2 adequate for the necessary balances therein after issuance of the Series B Bonds;

(f) A certificate of the Commission, signed by a Commission Official, identifying the Series B Bonds as Long-Term Indebtedness and demonstrating with reasonable detail that the provisions of Section 703(b) of the Restated Indenture, as applicable, have been met for the issuance of the Series B Bonds;

(g) An original executed counterpart of the Series B Liquidity Facility; and

(h) Such further documents or other instruments as may be reasonably required in connection with the refunding of the Refunded Bonds.

2.5 Series B Bonds Issued Under Restated Indenture. As set forth in Section 13.1, the purchasers of the Series B Bonds and the Series B Bonds, by purchasing such Bonds, will have consented irrevocably for themselves and their successors and assigns to the effectiveness of the Restated Indenture, so that upon the issuance of the Series B Bonds and the Series B Bonds (at which time the Series O Bonds and the Series P Bonds will have been defeased), the holders of all Outstanding Bonds will have consented to the Restated Indenture. Accordingly, the Restated Indenture shall be in full force and effect as of the date of issuance of the Series B Bonds.

(End of Article II)

ARTICLE III  
INTEREST RATES ON SERIES B BONDS

3.1 Initial Interest Rate and Subsequent Conversion.

All Series B Bonds initially shall be in the Weekly Mode and shall bear interest at a Weekly Rate determined and adjusted in accordance with this Article. The Series B Bonds may be converted from one Rate Mode to another Rate Mode as provided in Section 3.8.

3.2 Daily Rate.

While interest on any Series B Bonds is payable at a Daily Rate, the Daily Rate shall be determined on each Business Day as described below. The Daily Rate determined for each Business Day shall be effective for such Business Day and shall remain in effect until the next Business Day. The Daily Rate for any day that is not a Business Day shall be the Daily Rate for the last Business Day on which a Daily Rate was determined. Each such Daily Rate shall be determined by the Remarketing Agent on the applicable Business Day and shall be provided by the Remarketing Agent in writing to the Paying Agent and the Trustee by the close of business on the first Business Day of the following week or by telephone promptly confirmed in writing upon request of the Paying Agent, the Trustee or the Commission by the close of business on that same day, except that if the Series B Bonds initially bear interest at a Daily Rate, the initial Daily Rate may be determined by the Remarketing Agent on the Series Issue Date or on any Business Day preceding the Series Issue Date. Each such Daily Rate so to be determined shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause the Series B Bonds to have a market value equal to the principal amount thereof, plus accrued interest, taking into account Prevailing Market Conditions as of the date of determination; provided that:

(a) if the Remarketing Agent fails for any reason to determine the Daily Rate for any Business Day, such Daily Rate shall be the same as the Daily Rate in effect for the immediately preceding Business Day, except that if such failure continues for more than one consecutive Business Day, the Daily Rate thereafter shall be the BMA Index Rate; and

(b) in no event shall the Daily Rate for any Business Day exceed the maximum annual rate of interest at which the Series B Liquidity Facility then in effect provides coverage for the Series B Bonds.

No notice of Daily Rates will be given to the Commission or the Owners of the Series B Bonds; however, the Commission and the Owners of the Series B Bonds may obtain Daily Rates from the Remarketing Agent. All determinations of Daily Rates pursuant to this Indenture shall be conclusive and binding upon the Commission, the Bank, the Trustee, the Paying Agent and the Owners of the Series B Bonds to which such rates are applicable. The Commission, the Bank, the Trustee, the Paying Agent and the Remarketing Agent shall not be liable to any Owner of Series B Bonds for failure to give any notice required with respect to Daily Rates or for failure of any person to receive any such notice.

### 3.3 Weekly Rate.

A Weekly Rate shall be determined for each Weekly Rate Period as described below. The Weekly Rate for each Weekly Rate Period shall be effective from and including the commencement date of such period and shall remain in effect through and including the last day thereof. Each such Weekly Rate shall be determined by the Remarketing Agent on the Weekly Rate Calculation Date and shall be provided by the Remarketing Agent in writing or by telephone promptly confirmed in writing to the Paying Agent and the Trustee by the close of business on the next succeeding Business Day. Each such Weekly Rate for the Series B Bonds so to be determined shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause the Series B Bonds in the Weekly Mode to have a market value equal to the principal amount thereof, plus accrued interest, taking into account Prevailing Market Conditions as of the date of determination; provided that:

(a) if the Remarketing Agent fails for any reason to determine the Weekly Rate for any Weekly Rate Period, such Weekly Rate shall be the same as the Weekly Rate in effect for the immediately preceding Weekly Rate Period, except that if such failure continues for more than one consecutive Weekly Rate Period, the Weekly Rate thereafter shall be the BMA Index Rate; and

(b) in no event shall the Weekly Rate for any Weekly Rate Period exceed the maximum annual rate of interest at which the Series B Liquidity Facility then in effect provides coverage for the Series B Bonds.

No notice of Weekly Rates will be given to the Commission or the Owners of the Series B Bonds; however, the Commission and the Owners of the Series B Bonds may obtain Weekly Rates from the Remarketing Agent. All determinations of Weekly Rates pursuant to this Indenture shall be conclusive and binding upon the Commission, the Bank, the Trustee, the Paying Agent and the Owners of the Series B Bonds to which such rates are applicable. The Commission, the Bank, the Trustee, the Paying Agent and the Remarketing Agent shall not be liable to any Owner of Series B Bonds for failure to give any notice required with respect to Weekly Rates or for failure of any person to receive any such notice.

### 3.4 Monthly Rate.

A Monthly Rate shall be determined for each Monthly Rate Period as described below. "Monthly Rate Periods" shall commence on the first Business Day of each month and end and include the date preceding the first Business Day of the next succeeding month, except that (i) the first Monthly Rate Period for any Series B Bonds shall commence on a Conversion Date, being the Interest Payment Date applicable to the Rate Mode for such Series B Bonds prior to such conversion, and shall end on the date preceding the first Business Day of the next succeeding month; and (ii) in the case of a conversion of any Series B Bonds from a Monthly Rate Period to a Daily Rate, a Weekly Rate Period, a Commercial Paper Rate Period, a Term Rate Period or the Fixed Rate Mode, the last Monthly Rate Period for such Series B Bonds shall end on the date preceding the Conversion Date for such Series B Bonds. The Monthly Rate for each Monthly Rate Period shall be effective from and including the commencement date of such period and shall remain in effect through and including the last day thereof. Each such Monthly Rate shall be determined by the Remarketing Agent no later than 4:00 p.m. on the



Business Day immediately preceding the commencement of such rate period, and shall be provided by the Remarketing Agent to the Paying Agent and the Trustee in writing or by telephone promptly confirmed in writing by the close of business on the next succeeding Business Day. Each such Monthly Rate so to be determined shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause the Series B Bonds in the Monthly Mode to have a market value equal to the principal amount thereof, plus accrued interest, taking into account Prevailing Market Conditions as the date of determination; provided that:

(a) if the Remarketing Agent fails for any reason to determine the Monthly Rate for any Monthly Rate Period, such Monthly Rate shall be the same as the Monthly Rate in effect for the immediately preceding Monthly Rate Period, except that if such failure continues for more than one consecutive Monthly Rate Period, the Monthly Rate thereafter shall be the BMA Index Rate; and

(b) in no event shall the Monthly Rate for any Monthly Rate Period exceed the maximum annual rate of interest of which the Series B Liquidity Facility then in effect provides coverage for the Series B Bonds.

No notice of Monthly Rates will be given to the Registered Owners of the Series B Bonds; however, such Owners may obtain Monthly Rates from the Remarketing Agent. All determinations of Monthly Rates pursuant to the Indenture shall be conclusive and binding upon the Commission, the Bank, the Trustee, the Paying Agent and the Registered Owners of the Series B Bonds to which such rates are applicable. The Commission, the Bank, the Trustee, the Paying Agent and the Remarketing Agent shall not be liable to any Registered Owner of Series B Bonds for failure to give any notice required with respect to Monthly Rates or for failure for any person to receive such notice.

### 3.5 Commercial Paper Rate.

A Commercial Paper Rate shall be determined for each Commercial Paper Rate Period for any particular Series B Bond as described below. Each Series B Bond in a Commercial Paper Rate Mode shall bear interest during each Commercial Paper Rate Period applicable to such Series B Bond at the Commercial Paper Rate for such Series B Bond. The Commercial Paper Rate for each Commercial Paper Rate Period for any Series B Bond shall be effective from and including the commencement date of such period and shall remain in effect through and including the last day thereof. Each such Commercial Paper Rate shall be determined by the Remarketing Agent on the Commercial Paper Rate Calculation Date and shall be provided by the Remarketing Agent in writing or by telephone promptly confirmed in writing to the Paying Agent and the Trustee by the close of business on that same day. Each such Commercial Paper Rate for a Series B Bond so to be determined shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause such Series B Bond in the Commercial Paper Mode to have a market value equal to the principal amount thereof, plus accrued interest, taking into account Prevailing Market Conditions as of the date of determination; provided that:

(a) if the Remarketing Agent fails for any reason to determine the Commercial Paper Rate for any Commercial Paper Rate Period, the Commercial Paper Rate shall be the BMA Index Rate; and

(b) in no event shall the Commercial Paper Rate for any Commercial Paper Rate Period exceed the maximum annual rate of interest at which the Series B Liquidity Facility then in effect provides coverage for the Series B Bonds (if such Series B Liquidity Facility covers Series B Bonds in a Commercial Paper Mode).

No notice of Commercial Paper Rates will be given to the Commission or the Owners of the Series B Bonds; however, the Commission and the Owners of the Series B Bonds may obtain Commercial Paper Rates from the Remarketing Agent. All determinations of Commercial Paper Rates pursuant to this Indenture shall be conclusive and binding upon the Commission, the Bank (if such Series B Liquidity Facility covers Series B Bonds in a Commercial Paper Mode), the Trustee, the Paying Agent and the Owners of the Series B Bonds to which such rates are applicable. The Commission, the Bank, the Trustee, the Paying Agent and the Remarketing Agent shall not be liable to any Owner of Series B Bonds for failure to give any notice required with respect to Commercial Paper Rates or for failure of any person to receive any such notice.

### 3.6 Term Rate.

(a) A Term Rate shall be determined for each Term Rate Period as described below. Upon conversion of any Series B Bonds to a Term Mode, a Nominal Term Rate Period shall be fixed by the Commission pursuant to Section 3.8 as a term of one or more Semiannual Periods constituting the nominal length of each Term Rate Period thereafter until the date of a conversion to another Rate Mode. A Term Mode based on one Nominal Term Rate Period and a Term Mode based on another Nominal Term Rate Period are different Term Modes. Unless otherwise specified by the Commission pursuant to Section 3.8, each Term Mode shall be based on a Nominal Term Rate Period of one year consisting of two Semiannual Periods.

(b) Each Term Rate shall be determined by the Remarketing Agent on the Term Rate Calculation Date as the lowest rate of interest which, in the judgment of the Remarketing Agent taking into account Prevailing Market Conditions, would be necessary to enable the Remarketing Agent to arrange for the sale of the Series B Bonds in the respective Term Mode in a secondary market sale at a price (which may reflect a discount or premium) equal to the principal amount thereof on the first Business Day of the respective Term Rate Period; provided that (i) if the Remarketing Agent fails for any reason to determine the Term Rate for any Term Rate Period, such Term Rate shall be equal to 80% of the average of the annual bond equivalent yield evaluations at par as provided by the Remarketing Agent as of the first day of the corresponding Term Rate Period or, if such day is not a Business Day, the next preceding Business Day, of United States Treasury obligations having a term to maturity similar to such Term Rate Period; and (ii) in no event shall the Term Rate for any Term Rate Period exceed the maximum rate of interest at which the Series B Liquidity Facility then in effect provides coverage for interest on the Series B Bonds (if such Series B Liquidity Facility covers Series B Bonds in a Term Mode). Notice of each Term Rate shall promptly be given by telephone (promptly confirmed in writing) by the Remarketing Agent to the Commission, the Trustee, the Bank (if the Series B Liquidity Facility covers Series B Bonds in a Term Mode) and the Paying Agent. Determinations of Term Rates pursuant to this Section shall be conclusive and binding upon the Commission, the Trustee, the Paying Agent, the Bank (if the Series B Liquidity Facility covers Series B Bonds in a Term Mode) and the Owners of the Series B Bonds.

3.7 Fixed Rate.

(a) The Commission may convert Series B Bonds to the Fixed Rate Mode, which shall commence on the Conversion Date and continue until the final maturity date of the Bonds. In connection with the conversion of any Series B Bonds to the Fixed Rate Mode, the Commission may establish a schedule of maturities (each of which may have a separate Fixed Rate subject to paragraph (b) below), optional redemption terms which differ from that set forth in Section 7.5 and a schedule of mandatory sinking fund payments on any maturity of Series B Bonds designated as term bonds (which schedule shall be consistent with the mandatory sinking fund redemption schedule set forth in Section 7.6); provided that the Commission shall have delivered an opinion of bond counsel to the effect that the proposed maturity schedule will not adversely affect the tax-exempt status of interest on the Series B Bonds as provided in Section 3.8(b)(i). Upon conversion of any Series B Bonds to the Fixed Rate Mode, such Series B Bonds (if in the Daily Mode, Commercial Paper Mode, Weekly Mode or Monthly Mode immediately prior to such conversion) shall no longer be subject to optional tender or mandatory purchase pursuant to Section 4.1, Section 4.2 or Section 4.3 and may not be converted from the Fixed Rate Mode to another Rate Mode.

(b) The Fixed Rate for each maturity of the Series B Bonds designated by the Commission shall be determined by the Remarketing Agent as the lowest rate of interest which, in its judgment taking into account Prevailing Market Conditions, would be necessary to enable the Remarketing Agent to arrange for the sale of such maturity of the Series B Bonds at a Fixed Rate in a secondary market sale at a price (which may reflect a discount or premium) which, taking into account the sale prices of all other maturities of the Series B Bonds, will result in aggregate remarketing proceeds equal to 100% of the principal amount of all Series B Bonds then Outstanding.

3.8 Conversion at Option of Commission.

(a) The Commission shall have the option to convert all or a portion of the Series B Bonds from one Rate Mode to another Rate Mode as herein provided, on any Conversion Date the Commission shall select; provided that

(i) each Conversion Date shall be an Interest Payment Date (except that Series B Bonds in the Daily Mode or the Weekly Mode may be converted on any Business Day);

(ii) Series B Bonds in a Term Mode cannot be converted to another Rate Mode prior to the date on or after which the Series B Bonds may first be redeemed at the option of the Commission at the redemption price of par;

(iii) Series B Bonds in the Fixed Rate Mode may not be converted into another Rate Mode;

(iv) if less than all of the Series B Bonds in a particular Rate Mode are to be converted to another Rate Mode, at least \$10,000,000 in principal amount of Series B Bonds shall be converted to such other Rate Mode with the Series B Bonds to be

converted shall be selected by the Trustee by lot or other method deemed fair by the Trustee; and

(v) a minimum of \$10,000,000 in principal amount of Series B Bonds shall be in a particular Rate Mode if any Series B Bonds are in such Rate Mode following any such conversion.

The Commission may exercise its option to convert the Series B Bonds regardless of the number of times the Series B Bonds have previously been converted pursuant to the exercise of such option to convert. The Commission shall exercise such option by giving written notice to the Trustee, the Remarketing Agent, the Bank and the Paying Agent stating its election to convert the Rate Mode of the principal amount of Series B Bonds specified by the Commission in such notice to another Rate Mode, and stating the Conversion Date therefor not less than 45 days prior to such Conversion Date (or such shorter period as may be consented to by such parties) or, in the case of Series B Bonds in the Daily Mode, the Weekly Mode or the Monthly Mode, 15 days prior to such Conversion Date. Upon the Trustee's receipt of such notice from the Commission, the Trustee may conclusively assume that the Remarketing Agent, the Bank and the Paying Agent also have received a copy of such notice and that the condition that such parties have received a copy of the conversion notice has been complied with.

(b) The exercise by the Commission of an option to convert shall not be effective unless there shall have been delivered to the Trustee at least 45 days prior to the proposed Conversion Date (or, in the case of a conversion of Series B Bonds in the Daily Mode, the Weekly Mode or the Monthly Mode, at least 15 days prior to the proposed Conversion Date):

(1) an opinion of bond counsel addressed to the Trustee, the Paying Agent, the Commission, the Bank and the Remarketing Agent stating that (i) such conversion is authorized or permitted by this Indenture and the Enabling Acts and (ii) such conversion (including, in the case of a conversion to the Fixed Rate Mode, the establishment of any schedule of maturities, optional redemption terms and mandatory sinking fund redemption schedule pursuant to Section (a)) will not adversely affect the exclusion from gross income of the interest on the Series B Bonds for federal income tax purposes, which opinion shall be confirmed by such bond counsel on the Conversion Date;

(2) in the case of a conversion to a Term Mode or a Commercial Paper Mode, unless the Commission elects not to provide a Series B Liquidity Facility as permitted by the provisions of this Supplemental Indenture No. 2, an amendment to the Series B Liquidity Facility or a replacement Series B Liquidity Facility, or written evidence satisfactory to the Trustee that an amendment to the Series B Liquidity Facility or a replacement Series B Liquidity Facility will be delivered to the Trustee on or before the Conversion Date, which provides for an Expiration Date not earlier than the fifth day following the Term Rate Period End Interest Payment Date of the first Term Rate Period following the Conversion Date (in the case of conversion to a Term Mode) or the Interest Payment Date for the Commercial Paper Rate Period (in the case of conversion to a Commercial Paper Mode); and

(3) in the case of a conversion of the Series B Bonds to the Daily Mode, Weekly Mode or Monthly Mode, an amendment to the Series B Liquidity Facility or a replacement Series B Liquidity Facility, or written evidence satisfactory to the Trustee that such an amendment or replacement Series B Liquidity Facility will be delivered to the Trustee on or before the Conversion Date, which provides for an Expiration Date not earlier than the fifth day following the second Interest Payment Date following the Conversion Date (the second Interest Payment Date being approximately 60 days after the Conversion Date in order to allow sufficient time for any notices required to be given) and (ii) on and after such Conversion Date, coverage for the requisite number of days of accrued interest and at such maximum rate of interest as then required by the Rating Services as set forth in the guidelines of each Rating Service on the Series B Bonds being converted to the Daily Mode, Weekly Mode or Monthly Mode.

In the case of any conversion, the Trustee shall give notice by first class mail (postage prepaid) to the Owners of the Series B Bonds to be converted not less than 30 days (or, in the case of a conversion of Series B Bonds in the Daily Mode, the Weekly Mode or the Monthly Mode, 10 days) prior to the proposed Conversion Date stating (i) that the current Rate Mode of the principal amount of Series B Bonds specified in such notice is scheduled to be converted to a different Rate Mode, (ii) the proposed Conversion Date, (iii) that the Commission, on or before the date three (3) days prior to the proposed Conversion Date, may specify the Rate Mode to which such Series B Bonds shall be converted or may determine not to convert such Series B Bonds, and (iv) that all outstanding Series B Bonds specified in such notice will be subject to a mandatory purchase on the Conversion Date or proposed Conversion Date regardless of whether the Commission elects to convert such Series B Bonds at a price of par plus accrued interest. The Commission, the Trustee, the Paying Agent, the Bank and the Remarketing Agent shall not be liable to any Owner for failure to give any notice required above or for failure of any Owners to receive such notice. Upon each conversion under this Section, the Series B Bonds scheduled to be converted shall be subject to mandatory purchase pursuant to Section 4.2 on the Conversion Date.

(c) Once notice has been given to the Owners of the Series B Bonds as provided in the preceding paragraph, the Remarketing Agent shall advise the Commission as to the relevant markets for the different Rate Modes. Based on such information, the Commission shall determine whether to convert the Series B Bonds proposed to be converted to a new Rate Mode on or before the date preceding the proposed Conversion Date. If the Commission determines to convert any Series B Bonds to a new Rate Mode, it shall give notice of such determination to the Remarketing Agent, the Bank, the Trustee and the Paying Agent. In connection with each conversion to a Term Mode, the Semiannual Dates for such Term Rate Period and the Nominal Term Rate Period shall be selected by the Commission and designated in such notice. In connection with a conversion of Series B Bonds to the Commercial Paper Mode, the length of the Commercial Paper Rate Period shall be selected by the Commission (or by the Remarketing Agent within parameters specified by the Commission) with such period or such parameters designated in such notice. In connection with a conversion of Series B Bonds to the Fixed Rate Mode, the Semiannual Dates and any bond maturity, optional redemption provisions and mandatory sinking fund redemption schedule to be applicable to such Series B Bonds after such conversion to a Fixed Rate Mode as described in Section 3.7 and Section 9.5 shall be selected by the Commission and designated in such notice. If the Commission gives such notice of its determination to convert any Series B Bonds to a new Rate Mode, such Series B Bonds shall be

converted to a new Rate Mode and the Owners of such Series B Bonds shall be required to tender their Series B Bonds for mandatory purchase. If the Commission determines not to convert any Series B Bonds proposed to be converted to a new Rate Mode, it shall give written notice of such determination on or before the date three (3) days prior to the proposed Conversion Date to the Trustee, the Remarketing Agent, the Bank and the Paying Agent. In such event (i) the Series B Bonds proposed to be converted shall not be converted to the new Rate Mode but shall remain in the current Rate Mode and (ii) the Owners of the Series B Bonds proposed to be converted shall nevertheless be required to tender their Series B Bonds for mandatory purchase pursuant to Section 4.2.

3.9 Bank Bonds. Notwithstanding any provision in this Supplemental Indenture No. 2 or the Indenture to the contrary, if and for so long as any Series B Bond is a Bank Bond (as defined in Section 4.5), such Bond shall bear interest at the Bank Rate as set forth and defined in the Series B Liquidity Facility and shall be payable when and as provided in the Series B Liquidity Facility.

(End of Article III)

ARTICLE IV  
TENDER AND PURCHASE OF SERIES B BONDS

4.1. Optional Tender for Purchase of Daily Rate, Weekly Rate and Monthly Rate Series B Bonds.

(a) Optional Tender Rights. The Owners of Series B Bonds bearing interest at a Daily Rate, Weekly Rate or Monthly Rate shall have the right to tender their Bonds (or portions thereof in amounts equal to Authorized Denominations) for purchase, at a price equal to 100% of the principal amount thereof (or of such portions) plus accrued interest, in the case of Bonds bearing interest at a Daily Rate or Weekly Rate, on any Business Day, and in the case of Series B Bonds bearing interest at a Monthly Rate, on the first Business Day of the next succeeding calendar month which begins at least seven (7) days after the date of the written notice of tender provided for below (each such date is referred to hereinafter as a "Purchase Date") designated by written notice delivered to the Trustee and the Remarketing Agent on or before 11:00 a.m. on the Purchase Date designated by the Owner in such Owner's notice of tender (in the case of Series B Bonds in the Daily Mode) or seven (7) days prior to the Purchase Date (in the case of Series B Bonds in the Weekly Mode or the Monthly Mode).

(b) Notice by Owner of Tender. Each notice of tender pursuant to Section 4.1(a) shall:

(1) be delivered to the Trustee at its Office and to the Remarketing Agent at its Office and be substantially in the form set forth in Exhibit B to this Indenture or in other form satisfactory to the Trustee and the Remarketing Agent and, in the case of Series B Bonds in the Daily Mode, shall be delivered by 11:00 a.m. on the Purchase Date;

(2) state (i) the principal amount of the Series B Bonds to which the notice relates, (ii) that the Owner irrevocably demands purchase of such Series B Bonds (or a specified portion thereof in an amount equal to a whole multiple of \$5,000 but not less than \$100,000 provided that the Owner shall thereafter retain not less than \$100,000 in principal amount of Series B Bonds), (iii) the Purchase Date on which such Series B Bonds (or specified portion) are to be purchased, (iv) the Owner's taxpayer identification number, and (v) payment instructions with respect to the Purchase Price; and

(3) automatically constitute (i) an irrevocable offer to sell the Series B Bonds (or portion thereof) to which such notice relates on the Purchase Date at a price equal to the principal amount of such Series B Bonds (or portion thereof) plus any interest thereon accrued and unpaid as of the Purchase Date, (ii) an irrevocable authorization and instruction to the Trustee to effect transfer of such Series B Bonds (or portion thereof) upon payment of such price to the Trustee on the Purchase Date, (iii) an irrevocable authorization and instruction to the Trustee to effect the exchange of such Series B Bonds in whole or in part for other Bonds in an equal aggregate principal amount so as to facilitate the sale of such Series B Bonds (or portion thereof), and (iv) an acknowledgment that such Owner will have no further rights with respect to such Series B Bonds (or portion thereof) upon payment of the Purchase Price thereof to the Trustee on the Purchase Date, except for the right of such Owner to receive such Purchase Price upon surrender of such Series B Bonds to the Trustee endorsed for transfer in blank and

with guaranty of signatures satisfactory to the Trustee, and that after the Purchase Date such Owner will hold such Series B Bonds as agent for the Trustee.

The determination of the Trustee and the Remarketing Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Owner.

(c) [Reserved.]

(d) Remarketing of Tendered Series B Bonds. The Remarketing Agent shall use its reasonable best efforts to find purchasers for and arrange for the sale on the respective Purchase Date of all Series B Bonds or portions thereof in respect of which a notice of tender has been received pursuant to Section 4.1(a), at a price equal to 100% of the principal amount thereof plus accrued interest thereon. The terms of any such sale shall provide for the payment of the Purchase Price for tendered Series B Bonds to the Trustee (in exchange for new registered Series B Bonds) in immediately available funds at or before 11:00 a.m. on the Purchase Date (or, in the case of Series B Bonds in the Daily Mode, 1:00 p.m). Notwithstanding the foregoing, the Remarketing Agent shall not arrange for the sale of any Series B Bond to the Commission or an Affiliate, or as to which (i) there has been given to the applicable Series B Bondholder a notice of mandatory tender for purchase pursuant to Section 3.8 and Section 4.2 or pursuant to Section 4.3, a notice of replacement of the Series B Liquidity Facility pursuant to Section 6.8, or a notice of optional or mandatory redemption pursuant to Section 7.2, unless the Remarketing Agent has delivered to the person to whom the sale is made a copy of such notice, and such person has acknowledged receipt and agreed to be bound by the terms thereof, or (ii) provision for payment has been made pursuant to Section 12.2.

(e) Notice by Remarketing Agent of Remarketed Series B Bonds. At or before 9:30 a.m. (or, in the case of Series B Bonds in the Daily Mode, 12:00 noon) on the Purchase Date for optionally tendered Series B Bonds pursuant to this Section, the Remarketing Agent shall give notice by telephone, telegram, teletype, telex or other similar communication to the Trustee and the Commission of (i) the principal amount of tendered Series B Bonds which have been remarketed and (ii) the principal amount of tendered Series B Bonds, if any, which have not been remarketed, and specifying the amounts of principal and interest, if any, representing the Purchase Price of Series B Bonds which have not been remarketed. As part of such notice, the Remarketing Agent shall give notice to the Trustee by telephone (promptly confirmed in writing) of the names, addresses and taxpayer identification numbers of the purchasers, the denominations of Series B Bonds to be delivered as hereinafter provided to each purchaser and the payment instructions for regularly scheduled interest payments.

(f) Payment of Remarketing Proceeds. The Remarketing Agent shall cause to be paid to the Trustee by 11:00 a.m. (or, in the case of Series B Bonds in the Daily Mode, 1:00 p.m.) on the Purchase Date for tendered Series B Bonds all amounts then held by the Remarketing Agent representing proceeds of the remarketing of such Series B Bonds, such payments to be made in immediately available funds. All moneys received by the Trustee as remarketing proceeds shall be deposited by the Trustee in the Series B Remarketing Proceeds Purchase Account established within the Series B Purchase Fund pursuant to Section 5.3, and shall not be commingled with other funds held by the Trustee. All moneys in the Series B Remarketing



Proceeds Purchase Account shall be held in trust, uninvested and without liability for interest thereon, pending application of such moneys by the Trustee pursuant to this Article.

(g) Drawings on Series B Liquidity Facility for Purchase Price. By 11:30 a.m. (or, in the case of Series B Bonds in the Daily Mode, 1:30 p.m.) on the Purchase Date for purchase of tendered Series B Bonds pursuant to this Section 4.1, the Trustee shall take all action necessary to draw on the Series B Liquidity Facility in accordance with Section 4.5(a) an amount equal to the Purchase Price of all such Series B Bonds tendered less any remarketing proceeds received by the Trustee in respect of such tendered Series B Bonds for receipt by the Trustee by the time specified in Section 4.5(a) on such Purchase Date. The Trustee shall deposit into the Series B Liquidity Facility Purchase Account established within the Series B Purchase Fund pursuant to Section 5.3 and hold in trust, uninvested and without liability for interest thereon, all such amounts received by the Trustee from drawings on the Series B Liquidity Facility for purchases of tendered Series B Bonds pending application of such amounts by the Trustee pursuant to this Article. Funds deposited in the Series B Liquidity Facility Purchase Account shall not be commingled with any other funds held by the Trustee. Any remaining amounts in the Series B Liquidity Facility Purchase Account after any application required by Section 4.1(i) shall be paid over by the Trustee to the Bank for the account of the Commission as reimbursement for the drawing on the Series B Liquidity Facility from which such amounts were derived; provided that the Series B Liquidity Facility shall be reinstated to the extent of such reimbursement and the Trustee shall take all necessary action on its part pursuant to the Series B Liquidity Facility to effect such reinstatement. Anything herein to the contrary notwithstanding, no amounts drawn on the Series B Liquidity Facility shall be applied to the purchase of Bank Bonds or Commission Bonds.

(h) Payments by Commission. In the event the Bank fails to honor a draw on the Series B Liquidity Facility by the Trustee in accordance with the terms of the Series B Liquidity Facility, or if the Series B Liquidity Facility is terminated in accordance with its terms and is not replaced by a replacement Series B Liquidity Facility issued by a third party, the Commission agrees to pay, upon notice from the Trustee and by 4:00 p.m. on the Purchase Date, the Purchase Price of Series B Bonds tendered for purchase. Any moneys paid by the Commission to the Trustee for purchase of tendered Series B Bonds shall be deposited by the Trustee in the Series B Commission Purchase Account established within the Series B Purchase Fund pursuant to Section 5.3 and shall be applied by the Trustee as provided in this Article.

(i) Payments of Purchase Price by Trustee. The Trustee shall pay the Purchase Price of Series B Bonds tendered pursuant to this Section to the selling Owners thereof at its Office not later than 2:00 p.m. (or, in the case of Series B Bonds in the Daily Mode, 4:00 p.m.) on the later of (i) the Purchase Date for the purchase of such Bonds pursuant to this Section or (ii) the date of surrender of such Series B Bonds to the Trustee properly endorsed for transfer in blank and with all signatures guaranteed to the satisfaction of the Trustee. Such payments shall be made in immediately available funds, but solely from the following sources in the order of priority indicated:

- (1) moneys held in the Series B Remarketing Proceeds Purchase Account representing proceeds of the remarketing of such Series B Bonds pursuant to Section 4.1(d);

(2) moneys held in the Series B Liquidity Facility Purchase Account representing proceeds of a draw by the Trustee under the Series B Liquidity Facility for such purpose; and

(3) moneys held in the Series B Commission Purchase Account paid by the Commission to the Trustee pursuant to Section 4.1(h).

If sufficient funds are not available for the purchase of all tendered Series B Bonds, no purchase shall be consummated.

(j) Registration and Delivery of Tendered or Purchased Series B Bonds. On the Purchase Date for tendered Series B Bonds pursuant to this Section, the Trustee shall register and make available (or hold) all Series B Bonds purchased on such date as follows:

(1) Series B Bonds remarketed by the Remarketing Agent shall be registered and made available to the Remarketing Agent or the purchasers thereof (by overnight mail or similar service) in accordance with the written instructions of the Remarketing Agent;

(2) Series B Bonds purchased with proceeds of a draw under the Series B Liquidity Facility shall be registered and held by the Trustee as Bank Bonds pursuant to Section 4.5; and

(3) Series B Bonds purchased with amounts provided by the Commission shall be registered in the name of the Commission and shall be held in trust by the Trustee on behalf of the Commission and shall not be released from such trust unless the Trustee shall have received written instructions confirming that such Series B Bonds are covered by the Series B Liquidity Facility from the Commission.

(k) Delivery of Bonds: Effect of Failure to Surrender Series B Bonds. All Series B Bonds to be purchased on any date shall be delivered to the Office of the Trustee for receipt at or before 11:00 a.m. (or, in the case of Series B Bonds in the Daily Mode, 12:00 noon) on the Purchase Date. If the Owner of any Series B Bond (or portion thereof) that is subject to purchase pursuant to this Section fails to deliver such Series B Bond to the Trustee for purchase on the Purchase Date, and if the Trustee is in receipt of the Purchase Price therefor, such Series B Bond (or portion thereof) shall nevertheless be deemed tendered and purchased on the Purchase Date fixed for purchase thereof and registration of the ownership of such Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in Section 4.1(j). Any Owner who so fails to deliver such Series B Bond for purchase on (or before) the Purchase Date shall have no further rights thereunder, except the right to receive the Purchase Price thereof upon presentation and surrender of such Series B Bond to the Trustee properly endorsed for transfer in blank and with all signatures guaranteed to the satisfaction of the Trustee. The Trustee shall, as to any Undelivered Series B Bonds, (i) promptly notify the Remarketing Agent of such non-delivery and (ii) place a stop transfer against an appropriate amount of Series B Bonds registered in the name of the Owner(s) on the Bond Register. The Trustee shall place such stop transfer(s) commencing with the lowest serial number Bond registered in the name of such Owner(s) (until stop transfers have been placed against an appropriate amount of Series B Bonds) until the appropriate tendered Series B Bonds are delivered to the Trustee. Upon such

delivery, the Trustee shall make any necessary adjustments to the Bond Register. The Trustee shall hold moneys representing the Purchase Price of Undelivered Series B Bonds in the account or subaccount specified in Section 4.1(i) for the sole benefit of the former Owner(s) of such Undelivered Series B Bonds.

4.2 Mandatory Tender for Purchase on Each Conversion or Proposed Conversion and at End of Each Term Rate Period and Commercial Rate Period.

(a) Mandatory Tender. Any Series B Bonds (other than Series B Bonds in the Fixed Rate Mode) shall be subject to mandatory tender for purchase on (i) each Conversion Date for such Series B Bonds, (ii) each proposed Conversion Date for such Series B Bonds designated by the Commission for a proposed conversion to a different Rate Mode as to which the Commission has determined not to effect such conversion pursuant to Section 3.8 (c), (iii) in the case of Series B Bonds in a Term Mode, the first Business Day immediately following the end of each Term Rate Period, and (iv) in the case of Series B Bonds in a Commercial Paper Mode, the first Business Day immediately following the end of each Commercial Paper Rate Period, in each case at a price equal to the principal amount thereof, plus accrued interest if the Purchase Date is not an Interest Payment Date.

(b) Remarketing. The Remarketing Agent shall use its reasonable best efforts to find purchasers for and arrange for the sale on the respective Purchase Date of all Series B Bonds subject to mandatory tender for purchase pursuant to Section 4.2(a), at a price equal to 100% of the principal amount thereof plus interest accrued to the Purchase Date; provided that (1) no Series B Bonds shall be remarketed by the Remarketing Agent to the Commission or an Affiliate and (2) the Series B Liquidity Facility coverage requirements of Section 4.2(c) shall be satisfied. The terms of any sale arranged by the Remarketing Agent shall provide for the payment of the Purchase Price to the Trustee of the Series B Bonds subject to mandatory tender for purchase in immediately available funds at or before 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:00 p.m.) on the Purchase Date. Anything in this Supplemental Indenture No. 2 to the contrary notwithstanding, the Remarketing Agent shall have no obligation to determine the interest rate on the Series B Bonds or to find purchasers for and arrange for the sale of Series B Bonds upon conversion to a Term Mode or on a Term Rate Period End Interest Payment Date or otherwise to act as Remarketing Agent with respect to Bonds in a Term Mode, unless and to the extent the Remarketing Agent shall have expressly and specifically agreed in writing with the Commission to perform such duties.

(c) Series B Liquidity Facility Coverage. There shall be no remarketing of any Series B Bonds pursuant to Section 4.2(b) unless and until (1) in the case of a conversion, the requirements of Section 6.7 regarding the delivery of an amendment to the Series B Liquidity Facility or a replacement Series B Liquidity Facility have been satisfied and (2) in the case of a remarketing for a new Term Rate Period not in connection with a conversion, unless the Commission shall have elected not to provide a Series B Liquidity Facility as permitted by Section 6.1 or Section 6.9, there shall have been delivered to the Trustee an amendment to the Series B Liquidity Facility or a replacement Series B Liquidity Facility which provides for an Expiration Date not earlier than the fifth day following the Term Rate Period End Interest Payment Date next following the Purchase Date.

(d) Notice by Remarketing Agent. At or before 9:30 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 12:00 noon) on the Purchase Date for purchase of Series B Bonds pursuant to Section 4.2(a), the Remarketing Agent shall give notice by telephone, telegram, teletype, telex or other similar communication to the Trustee and the Commission of (i) the principal amount of Series B Bonds which have been remarketed and (ii) the principal amount of Series B Bonds, if any, which have not been remarketed, and specifying the amounts of principal and interest, if any, representing the Purchase Price of such Series B Bonds which have not been remarketed. As part of such notice, the Remarketing Agent shall give notice to the Trustee by telephone (promptly confirmed in writing) of the names, addresses and taxpayer identification numbers of the purchasers and the denominations of Series B Bonds to be delivered to each purchaser and the payment instructions for regularly scheduled interest payments.

(e) Payment of Remarketing Proceeds. The Remarketing Agent shall cause to be paid to the Trustee by 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:00 p.m.) on the Purchase Date for purchase of Series B Bonds pursuant to Section 4.2(a) all amounts then held by the Remarketing Agent representing proceeds of the remarketing of such Series B Bonds, such payment to be made in immediately available funds. All such remarketing proceeds received by the Trustee shall be deposited in the Series B Remarketing Proceeds Purchase Account and applied by the Trustee pursuant to this Article, and shall not be commingled with other funds held by the Trustee. All moneys in the Series B Remarketing Proceeds Purchase Account shall be held in trust, uninvested and without liability for interest thereon, pending application of such moneys by the Trustee pursuant to this Article.

(f) Drawings on Series B Liquidity Facility for Purchase Price. By 11:30 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:30 p.m.) on the Purchase Date for Series B Bonds pursuant to Section 4.2(a), the Trustee shall take all action necessary to draw on the Series B Liquidity Facility in accordance with Section 4.5(a) an amount equal to the Purchase Price of all such Series B Bonds tendered less any remarketing proceeds received by the Trustee in respect of such tendered Series B Bonds for receipt by the Trustee by the time specified in Section 4.5(a) on such Purchase Date. The Trustee shall deposit into the Series B Liquidity Facility Purchase Account and hold in trust, uninvested and without liability for interest thereon, all such amounts received by the Trustee from drawings on the Series B Liquidity Facility for purchases of the Series B Bonds pending application of such amounts by the Trustee pursuant to this Article. Funds deposited in the Series B Liquidity Facility Purchase Account shall not be commingled with any other funds held by the Trustee. Any remaining amounts in the Series B Liquidity Facility Purchase Account after any application required by Section 4.2(h) shall be paid over by the Trustee to the Bank for the account of the Commission as reimbursement for the drawing on the Series B Liquidity Facility from which such amounts were derived; provided that the Series B Liquidity Facility shall be reinstated to the extent of such reimbursement and the Trustee shall take all necessary action on its part pursuant to the Series B Liquidity Facility to effect such reinstatement. Anything herein to the contrary notwithstanding, no amounts drawn on the Series B Liquidity Facility shall be applied to the purchase of Bank Bonds or Commission Bonds.

(g) Payments by Commission. In the event the Bank fails to honor a draw on the Series B Liquidity Facility by the Trustee in accordance with the terms of the Series B Liquidity Facility, or if the Series B Liquidity Facility is terminated in accordance with its terms and is not

replaced by a replacement Series B Liquidity Facility, the Commission agrees to pay, upon notice from the Trustee and by 4:00 p.m. on the Purchase Date, the Purchase Price of Series B Bonds tendered for purchase. Any moneys paid by the Commission to the Trustee for purchase of tendered Series B Bonds shall be deposited by the Trustee in the Series B Commission Purchase Account and shall be applied by the Trustee as provided in this Article.

(h) Payments of Purchase Price by Trustee. The Trustee shall pay the Purchase Price of Series B Bonds tendered pursuant to this Section to the selling Owners thereof at its Office not later than 2:00 p.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 4:00 p.m.) on the later of (i) the Purchase Date for such Series B Bonds or (ii) the date of surrender of such Series B Bonds to the Trustee properly endorsed for transfer in blank and with all signatures guaranteed to the satisfaction of the Trustee. Such payments shall be made in immediately available funds, but solely from the following sources in the order of priority indicated, neither the Commission, the Trustee, the Paying Agent nor the Remarketing Agent having an obligation to use funds from any other source:

- (1) moneys held in the Series B Remarketing Proceeds Purchase Account representing proceeds of the remarketing of the Series B Bonds pursuant to Section 4.2(b);
- (2) moneys held in the Series B Liquidity Facility Purchase Account representing proceeds of a drawing by the Trustee under the Series B Liquidity Facility; and
- (3) moneys held in the Series B Commission Purchase Account paid by the Commission to the Trustee pursuant to Section 4.2(g).

If sufficient funds are not available for the purchase of all tendered Series B Bonds, no purchase shall be consummated.

(i) Registration and Delivery of Tendered or Purchased Series B Bonds. On the Purchase Date for tendered Series B Bonds pursuant to this Section, the Trustee shall register and deliver (or hold) all Series B Bonds purchased on such date as follows:

- (1) Series B Bonds remarketed by the Remarketing Agent shall be registered and made available to the Remarketing Agent or the purchasers thereof (by overnight mail or similar service) in accordance with the written instructions of the Remarketing Agent;
- (2) Series B Bonds purchased with proceeds of a drawing on the Series B Liquidity Facility shall be held by the Trustee as Bank Bonds pursuant to Section 4.5; and
- (3) Series B Bonds purchased with amounts provided by the Commission shall be registered in the name of the Commission and shall be held in trust by the Trustee on behalf of the Commission and shall not be released from such trust unless the Trustee shall have received written instructions confirming

that such Series B Bonds are covered by the Series B Liquidity Facility from the Commission.

(j) Delivery of Bonds; Effect of Failure to Surrender Bonds. All Series B Bonds to be purchased on the Purchase Date shall be delivered to the Office of the Trustee for receipt at or before 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 12:00 noon) on such date. If the Owner of any Series B Bond that is subject to purchase pursuant to this Section fails to deliver such Bond to the Trustee for purchase on the Purchase Date, and if the Trustee is in receipt of the Purchase Price therefor, such Bond shall nevertheless be deemed tendered and purchased on the Purchase Date fixed for the purchase thereof, and registration of the ownership of such Series B Bond shall be transferred to the purchaser thereof as provided in Section 4.2(i). Any Owner who so fails to deliver such Series B Bond for purchase on (or before) the Purchase Date shall have no further rights thereunder, except the right to receive the Purchase Price thereof upon presentation and surrender of such Series B Bond to the Trustee properly endorsed for transfer in blank and with all signatures guaranteed to the satisfaction of the Trustee. The Trustee shall, as to any Undelivered Series B Bonds, (i) promptly notify the Remarketing Agent of such non-delivery and (ii) place a stop transfer against such Series B Bonds until they are delivered to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the Bond Register for the Series B Bonds. The Trustee shall hold moneys representing the Purchase Price of Undelivered Series B Bonds in the account or subaccount specified in Section 4.2(h) for the sole benefit of the former Owner(s) of such Undelivered Series B Bonds.

4.3 Mandatory Tender for Purchase Upon Series B Liquidity Facility Expiration or Substitution or Upon Termination of Series B Liquidity Facility.

(a) Mandatory Tender. The Series B Bonds (other than Series B Bonds in the Fixed Rate Mode) shall be subject to mandatory tender for purchase on (i) the Interest Payment Date (the "mandatory tender date") immediately preceding the Expiration Date of the Series B Liquidity Facility then in effect but not less than five days before such Expiration Date (or if such Interest Payment Date is not a Business Day, the Business Day next following such Interest Payment Date) in the event such Series B Liquidity Facility shall not have been extended effective on or before such Interest Payment Date in accordance with Section 6.6 and the Series B Liquidity Facility, or (ii) the date of substitution of the Series B Liquidity Facility with a replacement Series B Liquidity Facility pursuant to Section 6.7 (including without limitation an assignment by a Bank of its obligations under a Series A Liquidity Facility with the consent of the Commission as permitted by such Series A Liquidity Facility), or (iii) in the event the Bank delivers a written notice to the Trustee, the Paying Agent, the Remarketing Agent and the Commission stating that an event of default under the Series B Liquidity Facility has occurred and is continuing and the Bank has exercised its option to terminate the Series B Liquidity Facility (unless the Series B Liquidity Facility terminates due to an Immediate Termination Event, in which event the Series B Bonds shall not be subject to mandatory tender and purchase), on the date five (5) days prior to the date the Series B Liquidity Facility is to terminate (or, if such date is not a Business Day, the next preceding Business Day) in each case at a price equal to the principal amount thereof plus accrued interest; provided that if the Series B Bonds are subject to mandatory tender pursuant to Section 4.2 on a date coinciding with the Interest Payment Date on which the Series B Bonds would otherwise be subject to mandatory tender pursuant to this Section, then mandatory tender for purchase shall be made pursuant to

Section 4.2 for purposes of this Indenture and the Series B Bonds. The mandatory tender date shall be the Purchase Date for Series B Bonds required to be purchased pursuant to this Section.

(b) Notice to Registered Owners. In the event that, on or before the 20th day prior to the mandatory tender date set forth in Section 4.3(a)(i) or (ii), the Series B Liquidity Facility shall not have been extended or replaced in compliance with the conditions of Section 6.6 or Section 6.7, the Trustee shall promptly give notice of mandatory tender for purchase pursuant to Section 4.3(a)(i) or (ii) by first-class mail to the Owners of all Series B Bonds with a copy to the Paying Agent, the Remarketing Agent and the Bank. In the case of any mandatory purchase of Series B Bonds pursuant to Section 4.3(a)(iii), upon receipt by the Trustee of the written notice from the Bank referred to in Section 4.3(a)(iii), the Trustee shall, as soon as practicable (but in no event later than two (2) Business Days following receipt of said notice), give notice of mandatory tender for purchase by first-class mail to all Holders of Series B Bonds. Such notice shall state that all Outstanding Series B Bonds are subject to mandatory tender for purchase pursuant to the provisions thereof and of this Section in anticipation of the expiration, replacement or termination (as applicable) of the Series B Liquidity Facility and will be purchased on the mandatory tender date (which date shall be set forth in such notice) by payment of the Purchase Price thereof.

(c) No Remarketing. Anything in this Indenture to the contrary notwithstanding, the Remarketing Agent shall have no obligation to remarket Series B Bonds for purchase after notice of mandatory tender has been given pursuant to Section 4.3(b) upon the Expiration Date of the Series B Liquidity Facility or after notice of the occurrence of a Termination Event and exercise of the Bank's option to terminate the Series B Liquidity Facility has been given by the Bank pursuant to Section 4.3(a)(iii) unless the Series B Liquidity Facility is being replaced with a substitute Series B Liquidity Facility meeting the requirements of Section 6.7.

(d) Remarketing of Tendered Bonds. The Remarketing Agent shall use its reasonable best efforts to find purchasers for and arrange for the sale on the respective Purchase Date of all Series B Bonds subject to mandatory tender for purchase pursuant to Section 4.3(a)(ii) (if the Series B Liquidity Facility is being replaced with a substitute Series B Liquidity Facility meeting the requirements of Section 6.7) at a price equal to 100% of the principal amount thereof plus accrued interest thereon, provided that (i) no Series B Bonds shall be remarketed by the Remarketing Agent to the Commission or an Affiliate, and (ii) the Series B Liquidity Facility coverage requirements of this Supplemental Indenture No. 2 shall be satisfied. The terms of any sale arranged by the Remarketing Agent shall provide for the payment of the Purchase Price to the Trustee of the Series B Bonds in immediately available funds at or before 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:00 p.m.) on the Purchase Date.

(e) Notice by Remarketing Agent. At or before 9:30 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 12:00 noon) on the Purchase Date for purchase of Series B Bonds pursuant to Section 4.3(a)(ii) or (if the Series B Liquidity Facility is being replaced with a substitute Series B Liquidity Facility meeting the requirements of Section 6.7) (iii), the Remarketing Agent shall give notice by telephone, telegram, teletype, telex or other similar communication to the Trustee and the Commission of (i) the principal amount of Series B Bonds which have been remarketed and (ii) the principal amount of Series B Bonds, if any, which have not been remarketed, specifying the amounts of principal and interest, if any, representing the Purchase Price of such Series B Bonds which have not been remarketed by the

Remarketing Agent at the time such notice is given. As part of such notice, the Remarketing Agent shall give notice to the Trustee by telephone (promptly confirmed in writing) of the names, addresses and taxpayer identification numbers of the purchasers and the denominations of Series B Bonds to be delivered to each purchaser and the payment instructions for regularly scheduled interest payments.

(f) Payment of Remarketing Proceeds. The Remarketing Agent shall cause to be paid to the Trustee by 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:00 p.m.) on the Purchase Date for Series B Bonds pursuant to Section 4.3(a)(ii) or (if the Series B Liquidity Facility is being replaced with a substitute Series B Liquidity Facility meeting the requirements of Section 6.7) (iii) all amounts then held by the Remarketing Agent representing proceeds of the remarketing of such Series B Bonds, such payment to be made in immediately available funds. All such remarketing proceeds received by the Trustee shall be deposited in the Series B Remarketing Proceeds Purchase Account and applied by the Trustee pursuant to this Article, and shall not be commingled with other funds held by the Trustee. All moneys in the Series B Remarketing Proceeds Purchase Account shall be held in trust, uninvested and without liability for interest thereon, pending application of such moneys by the Trustee pursuant to this Article.

(g) Drawings on Series B Liquidity Facility for Purchase Price. By 11:30 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:30 p.m.) on the Purchase Date for Series B Bonds pursuant to Section 4.2(a), the Trustee shall take all action necessary to draw on the Series B Liquidity Facility in accordance with Section 4.5(a) an amount equal to the Purchase Price of all such Series B Bonds tendered less any remarketing proceeds received by the Trustee in respect of such tendered Series B Bonds for receipt by the Trustee by the time specified in Section 4.5(a) on such Purchase Date. The Trustee shall deposit into the Series B Liquidity Facility Purchase Account and hold in trust, uninvested and without liability for interest thereon, all such amounts received by the Trustee from drawings on the Series B Liquidity Facility for purchases of the Series B Bonds pending application of such amounts by the Trustee pursuant to this Article. Funds deposited in the Series B Liquidity Facility Purchase Account shall not be commingled with any other funds held by the Trustee. Any remaining amounts in the Series B Liquidity Facility Purchase Account after any application required by Section 4.3(i) shall be paid over by the Trustee to the Bank for the account of the Commission as reimbursement for the drawing on the Series B Liquidity Facility from which such amounts were derived. Anything herein to the contrary notwithstanding, no amounts drawn on the Series B Liquidity Facility shall be applied to the purchase of Bank Bonds or Commission Bonds.

(h) Payments by Commission. In the event the Bank fails to honor a draw on the Series B Liquidity Facility by the Trustee in accordance with the terms of the Series B Liquidity Facility, or if the Series B Liquidity Facility is terminated in accordance with its terms and is not replaced by a replacement Series B Liquidity Facility, the Commission agrees to pay, upon notice from the Trustee and by 4:00 p.m. on the Purchase Date, the Purchase Price of Series B Bonds tendered for purchase. Any moneys paid by the Commission and furnished to the Trustee for purchase of tendered Series B Bonds shall be deposited by the Trustee in the Series B Commission Purchase Account and shall be applied by the Trustee as provided in this Article.



(i) Payments of Purchase Price by Trustee. The Trustee shall pay the Purchase Price of Series B Bonds tendered for purchase pursuant to this Section to the selling Owners thereof at its Office not later than 2:00 p.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 4:00 p.m.) on the later of (i) the Purchase Date for the purchase of such Series B Bonds or (ii) the date of surrender of such Series B Bonds to the Trustee properly endorsed for transfer in blank and with all signatures guaranteed to the satisfaction of the Trustee. Such payments shall be made in immediately available funds, but solely from the following sources in the order of priority indicated, neither the Commission, the Trustee nor the Paying Agent having an obligation to use funds from any other source:

(1) moneys in the Series B Remarketing Proceeds Purchase Account representing proceeds of the remarketing of the Series B Bonds pursuant to Section 4.3(c);

(2) moneys in the Series B Liquidity Facility Purchase Account representing proceeds of a drawing by the Trustee under the Series B Liquidity Facility; and

(3) moneys in the Series B Commission Purchase Account paid by the Commission to the Trustee pursuant to Section 4.3(h).

(j) Registration and Delivery of Tendered or Purchased Series B Bonds. On the Purchase Date for Series B Bonds pursuant to this Section, the Trustee shall register and make available all Series B Bonds purchased on such date as follows:

(1) Series B Bonds remarketed by the Remarketing Agent shall be registered and made available to the Remarketing Agent or the purchasers thereof (by overnight mail or similar service) in accordance with the written instructions of the Remarketing Agent;

(2) Series B Bonds purchased with proceeds of a drawing on the Series B Liquidity Facility which have not been remarketed by the Remarketing Agent or otherwise sold by the Bank shall be held by the Trustee as Bank Bonds pursuant to Section 4.5; and

(3) Series B Bonds purchased with amounts provided by the Commission shall be registered in the name of the Commission and shall be held in trust by the Trustee on behalf of the Commission and shall not be released from such trust unless the Trustee shall have received written instructions to such effect from the Commission.

(k) Delivery of Bonds: Effect of Failure to Surrender Series B Bonds. All Series B Bonds to be purchased on the mandatory purchase date shall be delivered to the Office of the Trustee for receipt at or before 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:00 p.m.) on such date. If the Owner of any Series B Bond that is subject to purchase pursuant to this Section fails to deliver such Series B Bond to the Trustee for purchase on the Purchase Date, and if the Trustee is in receipt of the Purchase Price therefor, such Series B Bond shall nevertheless be deemed tendered and purchased on the Purchase Date and

registration of the ownership of such Series B Bond shall be transferred to the purchaser thereof as provided in Section 4.3(j). Any Owner who so fails to deliver such Series B Bond for purchase on (or before) the Purchase Date shall have no further rights thereunder, except the right to receive the Purchase Price thereof upon presentation and surrender of such Series B Bond to the Trustee properly endorsed for transfer in blank and with all signatures guaranteed to the satisfaction of the Trustee. The Trustee shall, as to any Undelivered Series B Bonds, place a stop transfer against such Series B Bonds until they are delivered to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the Bond Register for the Series B Bonds. The Trustee shall hold moneys representing the Purchase Price of Undelivered Series B Bonds in the account or subaccount specified in Section 4.3(i) for the sole benefit of the former Owner(s) of such Undelivered Series B Bonds.

4.4 Mandatory Tender and Purchase Upon Provision or Termination of Series B Liquidity Facility.

(a) Mandatory Tender and Purchase. In the event (i) no Series B Liquidity Facility is in place (because the Commission is providing the liquidity) and the Commission elects to provide a Series B Liquidity Facility from a third party for the Series B Bonds, or (ii) a Series B Liquidity Facility is in place and the Commission delivers a notice to the Trustee, the Paying Agent, the Bank and the Remarketing Agent that it has elected to terminate the Series B Liquidity Facility and provide liquidity for the Series B Bonds itself, the Series B Bonds shall be subject to mandatory tender and purchase on the effective date of the new Series B Liquidity Facility or the date three (3) days prior to the date of termination of the existing Series B Liquidity Facility (or, if such date is not a Business Day, the next preceding Business Day) (as applicable). The Commission shall provide the Trustee with written notice of any action the Commission intends to undertake pursuant to this Section 4.4(a).

(b) Notice to Registered Owners. Upon receipt of a written notice from the Commission pursuant to subsection (a), the Trustee shall promptly give notice of mandatory tender for purchase pursuant to this Section by first-class mail to the Owners of all Series B Bonds at least 30 days prior to the effective date of the new Series B Liquidity Facility or the termination of the existing Series B Liquidity Facility (as applicable). Such notice shall state that all Outstanding Series B Bonds are subject to mandatory tender for purchase pursuant to the provisions thereof and of this Section in anticipation of the provision of a Series B Liquidity Facility or the termination of the existing Series B Liquidity Facility securing the Series B Bonds (as applicable) and will be purchased on the mandatory tender date (which date shall be set forth in such notice) by payment of the Purchase Price.

(c) No Remarketing. Anything in this Supplemental Indenture No. 2 to the contrary notwithstanding, the Remarketing Agent shall have no obligation to remarket Series B Bonds for purchase after notice of mandatory tender has been given pursuant to Section 4.4(b) upon the termination date of the Series B Liquidity Facility unless the Series B Liquidity Facility is being replaced with a substitute Series B Liquidity Facility.

(d) Remarketing. The Remarketing Agent shall use its reasonable best efforts to find purchasers for and arrange for the sale on the respective Purchase Date of all Series B Bonds subject to mandatory tender for purchase pursuant to Section 4.4(a) at a price equal to 100% of the principal amount thereof plus accrued interest thereon, provided that (i) no Series B

Bonds shall be remarketed by the Remarketing Agent to the Commission or an Affiliate, and (ii) if a Series B Liquidity Facility from a third party is being provided, the Series B Liquidity Facility coverage requirements of this Supplemental Indenture No. 2 shall be satisfied. The terms of any sale arranged by the Remarketing Agent shall provide for the payment of the Purchase Price to the Trustee of the Series B Bonds in immediately available funds at or before 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:00 p.m.) on the Purchase Date.

(e) Notice by Remarketing Agent. At or before 9:30 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 12:00 noon) on the Purchase Date for purchase of Series B Bonds pursuant to Section 4.4(a), the Remarketing Agent shall give notice by telephone, telegram, teletype, telex or other similar communication to the Trustee and the Commission of (i) the principal amount of Series B Bonds which have been remarketed and (ii) the principal amount of Series B Bonds, if any, which have not been remarketed, specifying the amounts of principal and interest, if any, representing the Purchase Price of such Series B Bonds which have not been remarketed by the Remarketing Agent at the time such notice is given. As part of such notice, the Remarketing Agent shall give notice to the Trustee by telephone (promptly confirmed in writing) of the names, addresses and taxpayer identification numbers of the purchasers and the denominations of Series B Bonds to be delivered to each purchaser and the payment instructions for regularly scheduled interest payments.

(f) Payment of Remarketing Proceeds. The Remarketing Agent shall cause to be paid to the Trustee by 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:00 p.m.) on the Purchase Date for Series B Bonds pursuant to Section 4.4(a) all amounts then held by the Remarketing Agent representing proceeds of the remarketing of such Series B Bonds, such payment to be made in immediately available funds. All such remarketing proceeds received by the Trustee shall be deposited in the Series B Remarketing Proceeds Purchase Account and applied by the Trustee pursuant to this Article, and shall not be commingled with other funds held by the Trustee. All moneys in the Series B Remarketing Proceeds Purchase Account shall be held in trust, uninvested and without liability for interest thereon, pending application of such moneys by the Trustee pursuant to this Article.

(g) Drawings on Series B Liquidity Facility for Purchase Price. By 11:30 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:30 p.m.) on the Purchase Date for Series B Bonds pursuant to Section 4.5(a), the Trustee shall take all action necessary to draw on the Series B Liquidity Facility an amount equal to the Purchase Price of all such Series B Bonds tendered less any remarketing proceeds received by the Trustee in respect of such tendered Series B Bonds for receipt by the Trustee by the time specified in Section 4.5(a) on such Purchase Date. The Trustee shall deposit into the Series B Liquidity Facility Purchase Account or, if the Commission is providing liquidity for Series B Bonds itself, the Series B Commission Purchase Account and hold in trust, uninvested and without liability for interest thereon, all such amounts received by the Trustee from drawings on the Series B Liquidity Facility for purchases of the Series B Bonds pending application of such amounts by the Trustee pursuant to this Article. Funds deposited in the Series B Liquidity Facility Purchase Account shall not be commingled with any other funds held by the Trustee. Any remaining amounts in the Series B Liquidity Facility Purchase Account, if the Commission is providing liquidity for the Series B Bonds itself, or the Series B Commission Purchase Account after any application required by Section 4.4(i) shall be paid over by the Trustee to the Bank for the account of the Commission

(or, if the Commission is providing liquidity for the Series B Bonds itself, the Commission) as reimbursement for the drawing on the Series B Liquidity Facility from which such amounts were derived; provided that the Series B Liquidity Facility shall be reinstated to the extent of such reimbursement and the Trustee shall take all necessary action on its part pursuant to the Series B Liquidity Facility to effect such reinstatement. Anything herein to the contrary notwithstanding, no amounts drawn on the Series B Liquidity Facility shall be applied to the purchase of Bank Bonds or Commission Bonds.

(h) Payments by Commission. In the event the Bank fails to honor a draw on the Series B Liquidity Facility by the Trustee in accordance with the terms of the Series B Liquidity Facility, or if the Series B Liquidity Facility is terminated in accordance with its terms and is not replaced by a replacement Series B Liquidity Facility, the Commission agrees to pay, upon notice from the Trustee and by 4:00 p.m. on the Purchase Date, the Purchase Price of Series B Bonds tendered for purchase. Any moneys paid by the Commission and furnished to the Trustee for purchase of tendered Series B Bonds shall be deposited by the Trustee in the Series B Commission Purchase Account and shall be applied by the Trustee as provided in this Article.

(i) Payments of Purchase Price by Trustee. The Trustee shall pay the Purchase Price of Series B Bonds tendered for purchase pursuant to this Section to the selling Owners thereof at its Office not later than 2:00 p.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 4:00 p.m.) on the later of (i) the Purchase Date for the purchase of such Series B Bonds or (ii) the date of surrender of such Series B Bonds to the Trustee properly endorsed for transfer in blank and with all signatures guaranteed to the satisfaction of the Trustee. Such payments shall be made in immediately available funds, but solely from the following sources in the order of priority indicated, neither the Commission, the Trustee nor the Paying Agent having an obligation to use funds from any other source:

(1) moneys in the Series B Remarketing Proceeds Purchase Account representing proceeds of the remarketing of the Series B Bonds pursuant to Section 4.4(c);

(2) moneys in the Series B Liquidity Facility Purchase Account representing proceeds of a drawing by the Trustee under the Series B Liquidity Facility; and

(3) moneys in the Series B Commission Purchase Account paid by the Commission to the Trustee pursuant to Section 4.4(h).

(j) Registration and Delivery of Tendered or Purchased Series B Bonds. On the Purchase Date for Series B Bonds pursuant to this Section, the Trustee shall register and make available all Series B Bonds purchased on such date as follows:

(1) Series B Bonds remarketed by the Remarketing Agent shall be registered and made available to the Remarketing Agent or the purchasers thereof (by overnight mail or similar service) in accordance with the written instructions of the Remarketing Agent;

(2) Series B Bonds purchased with proceeds of a drawing on the Series B Liquidity Facility which have not been remarketed by the Remarketing Agent or

otherwise sold by the Bank shall be held by the Trustee as Bank Bonds pursuant to Section 4.5; and

(3) Series B Bonds purchased with amounts provided by the Commission shall be registered in the name of the Commission and shall be held in trust by the Trustee on behalf of the Commission and shall not be released from such trust unless the Trustee shall have received written instructions to such effect from the Commission.

(k) Delivery of Bonds; Effect of Failure to Surrender Series B Bonds. All Series B Bonds to be purchased on the mandatory purchase date shall be delivered to the Office of the Trustee for receipt at or before 11:00 a.m. (or, in the case of Series B Bonds in the Commercial Paper Mode, 1:00 p.m.) on such date. If the Owner of any Series B Bond that is subject to purchase pursuant to this Section fails to deliver such Series B Bond to the Trustee for purchase on the Purchase Date, and if the Trustee is in receipt of the Purchase Price therefor, such Series B Bond shall nevertheless be deemed tendered and purchased on the Purchase Date fixed for the purchase thereof and registration of the ownership of such Series B Bond shall be transferred to the purchaser thereof as provided in Section 4.4(i). Any Owner who so fails to deliver such Series B Bond for purchase on (or before) the Purchase Date shall have no further rights thereunder, except the right to receive the Purchase Price thereof upon presentation and surrender of such Series B Bond to the Trustee properly endorsed for transfer in blank and with all signatures guaranteed to the satisfaction of the Trustee. The Trustee shall, as to any Undelivered Series B Bonds, place a stop transfer against such Series B Bonds until they are delivered to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the Bond Register for the Series B Bonds. The Trustee shall hold moneys representing the Purchase Price of Undelivered Series B Bonds in the account or subaccount specified in Section 4.4(i) for the sole benefit of the former Owner(s) of such Undelivered Series B Bonds.

4.5 Drawings on Series B Liquidity Facility; Series B Bonds Purchased with Proceeds of Series B Liquidity Facility.

(a) Drawings on the Series B Liquidity Facility. By 11:30 a.m. (or, in the case of an optional tender of Series B Bonds in the Daily Mode or a mandatory tender of Series B Bonds in the Commercial Paper Mode, 1:30 p.m.) on each Purchase Date described in Sections 4.1, 4.2, 4.3 and 4.4, the Trustee shall present the requisite documentation for a drawing on the Series B Liquidity Facility as required by the Series B Liquidity Facility, if any, then held by the Trustee, such drawing to include accrued interest on the outstanding Series B Bonds to the Purchase Date if the purchase occurs other than an Interest Payment Date so as to receive the proceeds of such drawing at or before 1:30 p.m. (or, in the case of an optional tender of Series B Bonds in the Daily Mode or an optional or mandatory tender of Series B Bonds in the Commercial Paper Mode, 3:30 p.m.) on such day, to pay the Purchase Price of the Series B Bonds to be purchased on such Purchase Date. Promptly following any presentation by the Trustee of the requisite documents for a drawing on the Series B Liquidity Facility on any date, the Trustee shall give notice to the Commission by telephone, promptly confirmed in writing, of the amount so drawn. Notwithstanding any contrary provision hereof, proceeds of a drawing on the Series B Liquidity Facility may only be applied by the Trustee to pay the Purchase Price of Series B Bonds that are covered by such Series B Liquidity Facility.

(b) Bank Bonds. The Trustee shall hold in its custody and control for the benefit of the Bank any Series B Bonds purchased with proceeds of a drawing on the Series B Liquidity Facility pursuant to this Article, unless and until (i) the Trustee holds in trust for prompt delivery to the Bank moneys or funds equal to the amount(s) drawn under the Series B Liquidity Facility to pay the Purchase Price of such Series B Bonds or (ii) the Bank has notified the Trustee in writing that the Bank has sold such Series B Bonds. Such Series B Bonds so held by the Trustee for the benefit of the Bank are herein called "Bank Bonds." Series B Bonds that are Bank Bonds shall not be released by the Trustee until the Bank gives notice to the Trustee that the Series B Liquidity Facility has been reinstated by the amount of Bank Bonds to be so released. Pending reinstatement of the Series B Liquidity Facility or release of such Bank Bonds as aforesaid, the Bank shall be entitled to receive all payments of principal of and interest on Bank Bonds and such Series B Bonds shall not be transferable or deliverable to any party (including the Commission) except the Bank or its written designee (including any Bank Bondholders as defined in the Series B Liquidity Facility). Notwithstanding anything herein to the contrary, principal and interest on Bank Bonds shall be payable at such times and in such amounts as are set forth in the Series B Liquidity Facility. So long as a Series B Liquidity Facility is in effect, any Series B Bonds which have become Commission Bonds pursuant to a purchase of such Series B Bonds from the Bank with amounts provided by the Commission for such purpose shall not be remarketed following the remarketing of such Series B Bonds to a person other than the Commission or delivered to the Commission unless the Series B Liquidity Facility supports the purchase of such Series B Bonds following such remarketing or delivery in accordance with the terms of this Supplemental Indenture No. 2 and the Series B Liquidity Facility.

(c) Remarketing of Bank Bonds. Subject to the limitations of Sections 4.1(d), 4.2(b) 4.3(d) and 4.4(d) and the requirements of the Series B Liquidity Facility with respect thereto, the Remarketing Agent shall continue to use its best efforts to arrange for the sale of any Bank Bonds, subject to the reinstatement of the Series B Liquidity Facility with respect to the drawings with which such Series B Bonds were purchased, at a price equal to the principal amount thereof plus accrued interest.

(d) Notice of Remarketing. On or prior to each Business Day on which any Bank Bonds that are successfully remarketed by the Remarketing Agent are to be purchased, the Remarketing Agent shall give telephonic notice, promptly confirmed in writing, to the Trustee, the Commission and the Bank specifying:

(1) the Business Day on which such purchase will take place and the principal amount of Bank Bonds successfully remarketed by the Remarketing Agent, and

(2) to the Trustee only, the names, addresses and tax identification numbers of the proposed purchasers thereof, the denominations of Bonds to be delivered to each purchaser and, if available, the payment instructions for regularly scheduled interest payments.

(e) Delivery of Remarketed Bank Bonds and Proceeds Thereof. Upon reinstatement of the Series B Liquidity Facility as described in Section 4.5(b) and the sale of Bank Bonds arranged by the Remarketing Agent, the Trustee shall make available (i) such Series B Bonds to

the Remarketing Agent for redelivery to the purchasers thereof and (ii) the proceeds of such sale to the Bank to the extent of the drawing made by the Trustee on the Series B Liquidity Facility in respect of the purchase of such Series B Bonds, together with any other amounts due in connection therewith pursuant to the Series B Liquidity Facility.

#### 4.6 Commission Bonds.

(a) Remarketing of Commission Bonds. Subject to the provisions and limitations of the Remarketing Agreement and Sections 4.1(d), 4.1(j)(3), 4.2(b), 4.2(i)(3), 4.3(d), 4.3(j)(3), 4.4(d), and 4.4(j)(3), the Remarketing Agent shall, if so directed by the Commission, use its best efforts to arrange for the sale of any Commission Bonds registered in the Commission's name, at a price equal to the principal amount thereof plus accrued interest.

(b) Notice of Remarketing. On or prior to each Business Day on which any Commission Bonds that are successfully remarketed by the Remarketing Agent pursuant to Section 4.6(a) are to be purchased, the Remarketing Agent shall give telephonic notice, promptly confirmed in writing, to the Trustee, the Commission and the Bank specifying:

(1) the Business Day on which such purchase will take place and the principal amount of Commission Bonds successfully remarketed by the Remarketing Agent, and

(2) to the Trustee only, the names, addresses and tax identification numbers of the proposed purchasers thereof, the denominations of Bonds to be delivered to each purchaser and, if available, the payment instructions for regularly scheduled interest payments.

(c) Delivery of Remarketed Commission Bonds and Proceeds Thereof. Upon the sale of Commission Bonds arranged by the Remarketing Agent pursuant to Section 4.6(a), the Trustee shall make available (i) such Series B Bonds to the Remarketing Agent for redelivery to the purchasers thereof and (ii) the proceeds of such sale to the Commission.

#### 4.7 Inadequate Funds for Tenders.

If on any Purchase Date the funds available for purchases of Series B Bonds pursuant to this Article are inadequate for the purchase of all Series B Bonds tendered on such Purchase Date pursuant to this Article, a failure by the Commission to provide funds for such purchases, the Trustee shall, after any applicable grace period: (a) return all tendered Series B Bonds to the Owners thereof, (b) return all moneys received for the purchase of such Series B Bonds (other than moneys provided by the Commission and other than Series B Liquidity Facility proceeds, unless the Series B Liquidity Facility is reinstated with respect thereto) to the persons providing such moneys; and (c) notify the Trustee of the return of such Series B Bonds and moneys and the failure to make payment for tendered Series B Bonds.

(End of Article IV)

ARTICLE V  
DISPOSITION OF PROCEEDS; CREATION OF FUNDS AND ACCOUNTS

5.1 Establishment of Series B Clearing Fund and 2002 Settlement Fund.

(a) There is hereby established with the Trustee a fund to be designated the "Series B Clearing Fund." All of the net proceeds of the Series B Bonds shall be deposited by the Trustee into the Series B Clearing Fund. The Trustee shall deposit any additional amounts required to be deposited therein by the Commission. The Trustee is authorized and directed:

1. to transfer to the appropriate accounts in the Debt Service Fund and to the 2002 Construction Account described in Section 5.5 the amounts set forth in a closing statement signed by a Commission Official (the "Closing Statement") for the refunding of the Prior Bonds and to invest such amounts in the investments described therein; and
2. to transfer to the 2002 Settlement Fund established pursuant to paragraph (b) below the amounts set forth in the Closing Statement pay costs incurred by the Commission in connection with the issuance of the Series B Bonds including, but not limited to, those set forth in the Closing Statement.

(b) Pursuant to Section 5.1(b) of Supplemental Indenture No. 1, the Trustee has established a fund designated the "2002 Settlement Fund." The Trustee shall transfer into the 2002 Settlement Fund from proceeds of the Series B Bonds the amount set forth in the Closing Statement to pay costs of issuance of the Series B Bonds.

Any moneys remaining in the Series B Clearing Fund as of March 31, 2003 shall be transferred to the Series B Debt Service Account of the Debt Service Fund. Any moneys remaining in the Debt Service Fund for the Series O Bonds and the Series P Bonds after paying the redemption price (including interest) of the Series O Bonds and the Series P Bonds on December 1, 2002 shall be transferred to the 2002 Construction Account.

5.2 Series B Debt Service Account of Debt Service Fund.

(a) Establishment of Series B Debt Service Account and Subaccounts. There is hereby established with the Trustee and the Paying Agent as described in this Section a separate account within the Debt Service Fund to be designated the "Series B Debt Service Account", within which there shall be established the following subaccounts: (i) a General Subaccount with the Trustee and; (ii) a General Debt Service Subaccount with the Paying Agent. All moneys held by the Trustee in the General Subaccount shall be made available to the Paying Agent for deposit into the General Debt Service Subaccount and applied in accordance with Section 5.2(b)(2) and the other provisions of this Supplemental Indenture No. 2.

On or before each Interest Payment Date for the Series B Bonds in a Daily, Weekly, Monthly or Commercial Paper Mode, the Trustee shall withdraw from the Revenue Fund and deposit in the Series B Debt Service Account an amount equal to the amount necessary to pay, and for the purpose of paying, the interest due on the outstanding Series B Bonds on such Interest Payment Date. While the Series B Bonds are in a Term Mode or the Fixed Rate Mode, the Trustee shall make the withdrawals from the Revenue Fund and deposits in the Series B



Debt Service Account of the Debt Service Fund required by Section 506 of the Restated Indenture.

In addition, on or before each date on which principal of any Series B Bonds is due and payable, the Trustee shall withdraw from the Revenue Fund and deposit in the Series B Debt Service Account an amount equal to the amount necessary to pay, and for the purpose of paying, the principal amount of Series B Bonds maturing on such date.

(b) Application of Series B Debt Service Account. Except as otherwise provided in Article VIII of the Restated Indenture, moneys in the General Debt Service Subaccount of the Series B Debt Service Account (including moneys transferred from the General Subaccount) shall be applied to the following in the order of priority indicated:

(1) the payment when due of principal of, premium, if any, on and interest on the Series B Bonds, other than Commission Bonds; and

(2) the payment when due of principal of, premium, if any, on and interest on Commission Bonds, provided that if the Paying Agent shall have received written notice from the Bank that any amounts are due and owing to the Bank under the Series B Liquidity Facility, such payments shall be made to the Bank for the account of the Commission.

(c) Revenues and investments thereof in the Series B Debt Service Account shall, until applied as provided in the Indenture, be held by the Trustee or the Paying Agent for the benefit of the Owners of all Outstanding Bonds and the Bank as provided herein, except that any portion of the Revenues representing principal or redemption price of, and interest on, any Series B Bonds previously matured or called for redemption in accordance with Article VII shall be held for the benefit of the Owners of such Series B Bonds only.

### 5.3 Series B Purchase Fund.

There is hereby established with the Trustee and the Paying Agent a Series B Purchase Fund (the "Series B Purchase Fund") and within such fund a Series B Remarketing Proceeds Purchase Account, a Series B Liquidity Facility Purchase Account and a Series B Commission Purchase Account (such accounts are referred to individually as a "Purchase Account" and collectively as the "Purchase Accounts"), each of which shall be funded and applied as set forth in Article IV. The Trustee shall hold all moneys delivered to it for the purchase of tendered Series B Bonds in the applicable Purchase Account in trust, solely for the benefit of the holders of Series B Bonds tendered for purchase and entitled to such moneys as provided in Article IV.

### 5.4 Debt Service Reserve Fund; Deallocation and Reallocation of Debt Service Reserve Fund.

(a) The Series B Bonds shall not be Debt Service Reserve Fund Bonds. Accordingly, no portion of the proceeds of the Series B Bonds shall be deposited into the Debt Service Reserve Fund, and the Debt Service Reserve Fund shall not secure the Series B Bonds.

(b) As a result of the effectiveness of the Restated Indenture and the resulting decrease in the Reserve Requirement, a total of \$10,932,987.88 will be released from the Debt Service Reserve Fund. In addition, the Series U Bonds (as defined in the Fifteenth Supplemental Trust Indenture dated as of September 1, 2001 between the Commission and the Trustee (the "Series U Bonds"), shall no longer be Debt Service Reserve Fund Bonds and therefore \$16,762,661.86 of the amount currently on deposit in the Debt Service Reserve Fund (the "Series U DSRF Amount") is no longer required to be allocated to the Series U Bonds. The Trustee shall transfer, on the date hereof, the Series U DSRF Amount from the Debt Service Reserve Fund to the Commission for application to qualified capital expenditures, whereupon the Commission shall make an equity contribution in an amount equal to the Series U DSRF Amount to the Trustee for deposit in the Debt Service Reserve Fund, which equity contribution shall be allocated to the Commission's Series R Bonds and the Series S Bonds.

5.5. 2002 Construction Account. Pursuant to Supplemental Indenture No. 1, the Trustee has within the Construction Fund created under the Indenture a separate account known as the "2002 Construction Account." The Trustee shall transfer from the Series B Clearing Fund to the 2002 Construction Account the amount set forth in the Closing Statement, which amount shall be used by the Commission to pay qualified capital expenditures.

5.6. Rebate Fund.

Upon written request of the Commission the Trustee shall establish a Fund to be designated the "Series B Rebate Fund" which shall be held separate and apart from all other Funds established under this Indenture. The Trustee shall make deposits to and disbursements from the Series B Rebate Fund in accordance with the Tax Regulatory Certificate and shall invest the Series B Rebate Fund pursuant to the written instructions given to it by the Commission. The immediately preceding sentence of this Section may be superseded or amended by a new Tax Regulatory Certificate delivered by the Commission and accompanied by an opinion of Bond Counsel addressed to the Trustee to the effect that the use of such new Tax Regulatory Certificate will not cause the interest on the Series B Bonds to become includable in gross income of the recipient thereof for purposes of federal income taxation under Section 103 of the Code.

5.7. Investment of Funds. Moneys on deposit with respect to the Bonds in funds or accounts established pursuant to this Article V shall be invested solely in Permitted Investments, to the extent permitted by applicable law.

(End of Article V)

ARTICLE VI  
SERIES B LIQUIDITY FACILITY

6.1 Series B Liquidity Facility.

The Series B Bonds initially are covered by a Series B Liquidity Facility, which is the Standby Agreement. The Commission may elect not to provide a Series B Liquidity Facility and agrees to pay the Purchase Price of any tendered Series B Bonds itself at any time after the Series Issue Date, provided that the Series B Bonds shall be subject to mandatory tender and purchase as provided in Section 4.4. As a result, during any period in which no Series B Liquidity Facility is in effect, any references herein to the Series B Liquidity Facility or to the Series B Liquidity Facility shall be ignored or shall be construed as referencing the Commission for as long as the Commission has agreed to pay the Purchase Price of any tendered Series B Bonds itself. References to a "draw" or "drawing" (or a similar term) on the Series B Liquidity Facility, for example, shall be construed, in the absence of a Series B Liquidity Facility, to be a notice to the Commission of the need to provide funds for the purchase of Series B Bonds. The Commission, at its option, may elect to provide a Series B Liquidity Facility for all (but not less than all) of the Series B Bonds upon at least 45 days written notice to the Paying Agent, the Trustee, and the Remarketing Agent and upon such election the Series B Bonds shall be subject to mandatory purchase pursuant to Section 4.4.

The original Series B Liquidity Facility is an obligation of the Bank to purchase, upon request made with respect to the Series B Bonds and subject to the terms thereof, Series B Bonds tendered for purchase pursuant to this Supplemental Indenture No. 2 and to pay, as the Purchase Price therefor, up to (a) an amount equal to the aggregate principal amount of the Outstanding Bonds sufficient to pay the principal portion of the Purchase Price of Series B Bonds in the Daily Mode, Weekly Mode or Monthly Mode which are tendered for purchase pursuant to this Indenture to the extent remarketing proceeds are not available for such purpose, plus (b) an amount equal to 34 days' accrued interest on the Series B Bonds in the Daily Mode, Weekly Mode, Monthly Mode, in each case at the maximum annual interest rate of 12% to pay the accrued interest portion of the Purchase Price of the Series B Bonds tendered for purchase pursuant to this Supplemental Indenture No. 2 to the extent remarketing proceeds are not available for such purpose and to the extent the purchase does not occur on an Interest Payment Date. The Trustee will not be entitled to draw on the Series B Liquidity Facility with respect to Bank Bonds or Commission Bonds unless the Series B Liquidity Facility so provides. The original Series B Liquidity Facility provides that the Bank's obligation under the Series B Liquidity Facility will be reduced to the extent of any drawing thereunder, subject to reinstatement as described therein.

6.2 Drawings on Series B Liquidity Facility. The Trustee shall draw under the Series B Liquidity Facility in accordance with the terms thereof to the extent necessary to make timely payments of Purchase Price required to be made pursuant to, and in accordance with, Article IV. The proceeds of such drawings shall be deposited in the Series B Liquidity Facility Purchase Account.

6.3 Reduction.

In each case that Series B Bonds are redeemed or deemed to have been paid pursuant to Section 12.1, the Trustee shall take such action as may be permitted under the Series B Liquidity Facility to reduce the amount available thereunder while the Series B Bonds are in the Daily Mode, Weekly Mode or Monthly Mode to an amount equal to the principal amount of the Series B Bonds Outstanding, plus the number of days' interest on such principal amount required by the Rating Services, computed at the maximum annual interest rate provided in the Series B Liquidity Facility then in effect based on a 365/366-day year.

6.4 Expiration.

Unless all of the conditions of Section 6.6 or Section 6.7 have been met by the times specified therein prior to the expiration of the Series B Liquidity Facility, the Trustee shall take all action necessary to call the Series B Bonds for mandatory tender for purchase pursuant to Section 4.3, by reason of the expiration of the Series B Liquidity Facility, on the Interest Payment Date preceding such Expiration Date but not less than five days before such Expiration Date. Notice of the expiration of the Series B Liquidity Facility shall be given by the Trustee to the Remarketing Agent and each Rating Service.

6.5 Reduction in Available Amount.

Upon reduction of the amount available under the Series B Liquidity Facility pursuant to the maturity, redemption or defeasance of all or a portion of the Series B Bonds, the Bank shall have the right, at its option, to require the Trustee to confirm in writing the amount available under the Series B Liquidity Facility following such maturity, redemption or defeasance.

6.6 Extension.

The Commission may arrange to extend the term of the Series B Liquidity Facility, provided that the extended Series B Liquidity Facility shall (a) have a new Expiration Date not earlier than the fifth day following the second Interest Payment Date following the then current Expiration Date, in the case of Bonds bearing interest at a Daily Rate, Weekly Rate or Monthly Rate, and (b) meet the applicable requirements of Section 3.8. The Commission shall give the Paying Agent, the Remarketing Agent and the Trustee notice of such extension no later than 45 days (or such shorter period as is approved by the Trustee and the Paying Agent) preceding the Interest Payment Date immediately preceding the Expiration Date of the Series B Liquidity Facility, and shall cause the Bank's written amendment effecting such extension to be delivered to the Trustee no later than 20 days immediately preceding the Interest Payment Date next preceding the Expiration Date of the existing Series B Liquidity Facility. Nothing herein shall imply that the Bank is under any obligation to grant any such extension.

6.7 Replacement.

(a) Upon satisfaction of the conditions set forth in Section 6.7(c), the Commission may, at the close of business on any Interest Payment Date or Conversion Date prior to the expiration of the Series B Liquidity Facility, replace such Series B Liquidity Facility with a new Series B Liquidity Facility meeting the requirements of Section 6.7(b) (for purposes of this Supplemental Indenture No. 1 the term "substitution", "substitute", "replacement" or "replace", when used with respect to a Series A Liquidity Facility shall include an assignment by a Bank of its obligations under a Series A Liquidity Facility with the consent of the Commission as permitted by such Series A Liquidity Facility).

(b) Each Series B Liquidity Facility must:

(1) Be a standby bond purchase agreement or similar agreement which is an obligation of a financial institution having capital and surplus of not less than \$50,000,000 or another type of liquidity facility meeting the requirements of clauses (2) and (3) of this paragraph (b);

(2) Subject to the conditions thereof, entitle the Trustee to draw upon or demand payment and receive in immediately available funds while the Series B Bonds are in the Daily Mode, Weekly Mode or Monthly Mode, up to an amount equal to the principal amount of the Outstanding Series B Bonds, plus up to the number of days' accrued interest on such principal amount required by the Rating Services at the maximum rate of interest required by the Rating Services based on a 365/366-day year, to pay the Purchase Price of Series B Bonds tendered for purchase;

(3) Have an Expiration Date not earlier than the fifth day following the first Term Rate Period End Interest Payment Date following the effective date of the replacement of the then current Series B Liquidity Facility (unless the Series B Bonds are in the Daily Mode, the Weekly Mode or the Monthly Mode, in which case the Expiration Date shall not be earlier than the fifth day following the second Interest Payment Date following the effective date of the replacement of the then current Series B Liquidity Facility); and

(4) If a standby bond purchase agreement, otherwise have terms which are consistent in all material respects with Article IV of this Supplemental Indenture No. 2 (as the same may be amended).

(c) Prior to the replacement of any Series B Liquidity Facility, the following conditions shall have been met:

(1) The Trustee, the Remarketing Agent and the Paying Agent shall have received from the Commission written notice of such replacement and the effective date thereof no later than 45 days preceding such replacement date (or such shorter period as is approved by the Trustee and the Paying Agent);

(2) The Trustee and the Paying Agent shall have received the following no later than 20 days preceding the effective date of such replacement:

(i) An opinion of Counsel for the issuer of the replacement Series B Liquidity Facility (which opinion is to be delivered upon the issuance of the replacement Series B Liquidity Facility) that such Series B Liquidity Facility constitutes a legal, valid and binding obligation of the issuer in accordance with its terms; and

(ii) An opinion of Bond Counsel addressed to the Commission, the Trustee, the Remarketing Agent and the Paying Agent to the effect set forth in clause (i) of the definition of Favorable Opinion; and

(iii) Written confirmation from the issuer of the replacement Series B Liquidity Facility that it will deliver the original replacement Series B Liquidity Facility no later than the effective date of such replacement and a summary of the proposed coverage to be provided thereunder;

(3) The Trustee shall have received the original replacement Series B Liquidity Facility no later than the effective date of such replacement;

(4) The requirements of Section 4.3 as to mandatory tender of Bonds for repurchase shall have been met to the extent applicable; and

(5) The issuer of the replacement Series B Liquidity Facility shall have agreed to purchase, and shall purchase on or before the replacement date, from the liquidity provider which issued the Series B Liquidity Facility being replaced any Series B Bonds that are Bank Bonds at a price equal to the principal amount thereof plus accrued unpaid interest thereon at the Bank Rate and all other obligations of the Commission to the issuer of the Series B Liquidity Facility being replaced shall have been satisfied.

(d) Upon receipt by the Trustee of the new Series B Liquidity Facility and satisfaction of all other conditions set forth in Section 6.7(c)(2), the Trustee shall immediately notify the issuer of the Series B Liquidity Facility being replaced that such Series B Liquidity Facility will be replaced by a new Series B Liquidity Facility. On the effective date of the replacement of the Series B Liquidity Facility, the replaced Series B Liquidity Facility shall be promptly surrendered to the issuer thereof for cancellation, provided, however, that (i) the Trustee shall draw on the Series B Liquidity Facility being replaced in connection with any purchase of Series B Bonds pursuant to Section 4.2 resulting from such replacement and (ii) the replaced Series B Liquidity Facility shall not be surrendered until all draws thereunder shall have been honored and the replacement Series B Liquidity Facility shall have been delivered.

#### 6.8 Notices of Substitution, Extension or Replacement.

(a) The Trustee shall, at least 15 days prior to the proposed replacement of a Series B Liquidity Facility with a new Series B Liquidity Facility pursuant to Section 6.7, give notice thereof to the Owners by mailing notice to the Owners of Series B Bonds.

(b) The Trustee shall promptly give notice of any proposed substitution, extension or replacement of a Series B Liquidity Facility to the Paying Agent and the Remarketing Agent and to each Rating Service.

6.9 Other Liquidity or Credit Enhancement; No Liquidity or Credit Enhancement.

After a mandatory purchase of Series B Bonds in anticipation of the expiration of a Series B Liquidity Facility or upon conversion of the Series B Bonds to a new Rate Mode (including the Fixed Rate Mode), or as provided in Section 6.1 nothing in this Article shall limit the Commission's right to provide other liquidity and/or credit enhancement (such as a Series B Liquidity Facility, a letter of credit, a liquidity facility not meeting the requirements of Section 6.7, or a bond insurance policy or other form of credit enhancement) or no Series B Liquidity Facility or credit enhancement with respect to the Series B Bonds; provided that any such Series B Liquidity Facility or credit enhancement shall have administrative provisions reasonably satisfactory to the Trustee and the Paying Agent, and the Commission shall have furnished to the Trustee and the Paying Agent a Favorable Opinion with respect thereto.

In addition, in the event the Commission elects to terminate the existing Series B Liquidity Facility without providing a replacement Series B Liquidity Facility (other than the Commission's agreement to provide liquidity itself), the Commission shall purchase, on or before the termination date of the existing Series B Liquidity Facility, any Series B Bonds that are Bank Bonds at a price equal to the principal amount thereof plus accrued unpaid interest thereon at the Bank Rate.

(End of Article VI)

ARTICLE VII  
REDEMPTION OF SERIES B BONDS

7.1 Series B Bonds Subject to Redemption; Selection of Bonds to be Called for Redemption.

The Series B Bonds are subject to redemption prior to maturity as provided below and in the form of Series B Bonds attached hereto as Exhibit A. Except as otherwise provided herein or in the Series B Bonds, if less than all the Series B Bonds are to be redeemed, the particular Series B Bonds to be called for redemption shall be selected by lot or by such other method as the Paying Agent deems fair and appropriate; provided that any Bank Bonds shall be redeemed first and after all Bank Bonds have been redeemed, any Commission Bonds shall be redeemed second to the extent redemption moneys are available therefor. The Paying Agent shall treat any Series B Bond while in the Daily Mode, the Weekly Mode or the Monthly Mode of a denomination greater than \$100,000 as representing that number of separate Bonds each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Series B Bond by \$5,000, but not in any event in a denomination smaller than \$100,000 so that no redemption of Series B Bonds in the Daily Mode, the Weekly Mode or the Monthly Mode shall be effected as to result in any Series B Bond having a denomination of less than \$100,000. While the Series B Bonds are in a Term Mode equal to two or more Semiannual Periods, the Paying Agent shall treat any Series B Bond of a denomination greater than \$5,000 as representing that number of separate Series B Bonds each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Series B Bond by \$5,000. The Commission shall direct the Paying Agent to call Series B Bonds for optional redemption when and only when and to the extent that (a) the Commission has itself notified the Trustee and the Paying Agent of a corresponding prepayment made or proposed to be made under the Indenture, or (b) there are otherwise sufficient moneys in the Series B Debt Service Account to redeem such Series B Bonds. Notice of any optional redemption shall specify the principal amount of Series B Bonds to be redeemed and the redemption date.

7.2 Notice of Redemption.

(a) When required to redeem Series B Bonds under any provision of this Supplemental Indenture No. 2, or when directed to do so by the Commission, the Paying Agent shall cause notice of the redemption to be given not more than 60 days and not less than 15 days prior to the redemption date by mailing copies of such notice of redemption by first-class mail, postage prepaid, to all Owners of Series B Bonds to be redeemed at their registered addresses, to the Bank and also to each Rating Service then rating the Series B Bonds, but failure to mail any such notice or defect in the mailing thereof in respect of any Series B Bond shall not affect the validity of the redemption of any other Series B Bond with respect to which notice was properly given. Each such notice shall be dated and shall be given in the name of the Commission and shall state the following information:

(1) the identification numbers, as established under the Indenture, and the CUSIP numbers, if any, of the Series B Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Series B Bonds or as contained in the notice of redemption and



that reliance may be placed only on the identification numbers contained in the notice or printed on such Series B Bonds;

(2) any other descriptive information needed to identify accurately the Series B Bonds being redeemed, including, but not limited to, the Series Issue Date, Series B and maturity date of, and interest rate on, such Series B Bonds;

(3) in the case of partial redemption of any Series B Bonds, the principal amount thereof to be redeemed;

(4) the redemption date;

(5) the redemption price;

(6) that on the redemption date the redemption price will become due and payable upon each such Series B Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(7) the place where such Series B Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Office of the Paying Agent.

In addition, the Paying Agent shall at all reasonable times make available to any interested party complete information as to Series B Bonds which have been redeemed or called for redemption.

(b) In addition to the foregoing notice, further notice of any redemption of Series B Bonds hereunder shall be given by the Paying Agent, on the day of the mailed notice to Series B Bondholders, by registered or certified mail or overnight delivery service to Financial Information, Inc.'s "Daily Called Bond Service", 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services "Called Bond Service", 55 Bond Street, 28th Floor, New York, New York 10004; Moody's Investors Service, Inc. -- Structured Finance Department, 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Report; Standard and Poor's "Called Bond Record", 26 Broadway, 3rd Floor, New York, New York 10004; and Fitch, Inc., Attention: Municipal Structured Finance, One State Street Plaza, 28<sup>th</sup> Floor, New York, New York 10004; or, in accordance with then-current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other services, as the Commission may designate with respect to the Series B Bonds, including any nationally recognized municipal securities information repository to which the Commission and/or the Commission is required to file information or notices under SEC Rule 15c2-12 or any successor rule, or no such services, as the Commission may designate in a certificate of the Commission delivered to the Paying Agent and the Trustee. Such further notice shall contain the information required in clause (a) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given to the Series B Bondholders as prescribed in clause (a) above.

(c) If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Debt Service Fund available for payment pursuant to Section 5.3

sufficient to redeem all the Series B Bonds called for redemption, such notice shall state that it is conditional in that it is subject to the deposit of the moneys in the Series B Debt Service Account available for such payment pursuant to Section 5.3 not later than the redemption date, and the redemption proposed to be effected pursuant to such notice shall be of no effect unless such moneys are so deposited.

### 7.3 Payment of Redemption Price.

If (a) unconditional notice of redemption has been duly given or duly waived by the Owners of all Series B Bonds called for redemption or (b) conditional notice of redemption has been so given or waived and the moneys have been duly deposited with the Paying Agent sufficient to make such redemption, then in either such case the Series B Bonds called for redemption shall be payable on the redemption date at the applicable redemption price. Payment of the redemption price together with accrued interest shall be made by the Paying Agent, out of Revenues or other funds deposited for such purpose, to or upon the order of the Owners of the Series B Bonds called for redemption upon surrender of such Series B Bonds. Upon the payment of the redemption price of Series B Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number, if any, identifying by issue and maturity, the Series B Bonds being redeemed with the proceeds of such check or other transfer.

### 7.4 Bonds Redeemed in Part.

Any Series B Bond which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Series B Bonds called for redemption in the notice provided for in Section 7.2 (with due endorsement by, or a written instrument of transfer in form satisfactory to the Paying Agent duly executed by, the Owner thereof or his attorney duly authorized in writing and with guaranty of signatures satisfactory to the Paying Agent) and the Commission shall execute and the Paying Agent shall authenticate and deliver to the Owner of such Series B Bond without service charge, a new Series B Bond or Series B Bonds, of any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series B Bond so surrendered.

### 7.5 Optional Redemption.

(a) While the Series B Bonds are in the Daily Mode or the Weekly Mode, the Series B Bonds may be redeemed by the Commission, in whole or in part at any time, prior to maturity at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

(b) While the Series B Bonds are in the Monthly Mode or the Commercial Paper Mode, the Series B Bonds may be redeemed by the Commission, in whole or in part on any Interest Payment Date, prior to maturity at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

(c) While the Series B Bonds are in a Term Mode, the Series B Bonds shall be subject to optional redemption prior to maturity by the Commission, unless the Commission otherwise elects as set forth below, only (i) in whole or in part on a Term Rate Period End Interest

Payment Date at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date or (ii) prior to the end of the then current Term Rate Period in whole at any time or in part on any Interest Payment Date, provided that the Series B Bonds shall not be redeemable during the No Call Period shown below, which shall begin on the first day of the current Term Rate Period. In each Term Rate Period, after the applicable No Call Period, the Series B Bonds shall be redeemable at the percentage of their principal amount shown below in the Initial Premium column plus accrued interest to the redemption date. The premium shall decline semiannually by the amount shown below in the Semiannual Reduction in Premium column until they shall be redeemable without premium after the year indicated in the No Premium After column and for any later years or periods in the respective Term Rate Period.

<u>Term Rate Period</u>					
<u>Equal to or Greater Than</u>	<u>But Less Than</u>	<u>No Call Period</u>	<u>Initial Premium</u>	<u>Semiannual Reduction in Premium</u>	<u>No Premium After</u>
10 Years	20 Years	8 Year	101.0%	1/4%	10th year
8 Years	10 Years	5 Years	100.5%	1/4%	6th year
6 Years	8 Years	5 Years	100.0%		

Notwithstanding anything to the contrary in this Section, Series B Bonds which are in a Term Mode for a Term Rate Period of less than six years shall not be subject to optional redemption during such Term Rate Period. Notwithstanding anything to the contrary in this Section, the Commission may elect, in its notice of conversion of Series B Bonds to a Term Mode pursuant to Section 3.8, to establish different optional redemption terms (including a different No Call Period or redemption premiums) for such Term Mode if the Commission delivers to the Trustee and Paying Agent a Favorable Opinion with respect to the establishment of such other optional redemption terms. If optional redemption at a redemption price exceeding 100% of the principal amount to be redeemed is to take place as of any applicable mandatory sinking fund redemption date identified in Section 7.6, the Series B Bonds, or portions thereof, to be so redeemed shall be selected pursuant to the provisions of Section 9.1 prior to the selection by lot of the Series B Bonds to be redeemed on the same date by operation of the mandatory sinking fund redemption provisions of Section 7.6.

(d) While the Series B Bonds are in the Fixed Rate Mode, the Series B Bonds shall be subject to optional redemption prior to maturity by the Commission, on or after the first Semiannual Date following the tenth anniversary of the Conversion Date on which the Series B Bonds are converted to the Fixed Rate Mode, in whole at any time or in part on any Interest Payment Date, at a redemption price equal to the percentage of their principal amount shown below plus accrued interest to the redemption date.

<u>Period</u>	<u>Redemption Price</u>
Tenth anniversary of Conversion Date through date prior to eleventh anniversary	101.0%
Eleventh anniversary of Conversion Date through date prior to twelfth anniversary	100.5%
Twelfth anniversary of Conversion Date and thereafter	100.0%

If optional redemption at a redemption price exceeding 100% of the principal amount to be redeemed is to take place as of any applicable mandatory sinking fund redemption date identified in Section 7.6, the Series B Bonds, or portions thereof, to be so redeemed shall be selected pursuant to the provisions of Section 7.1 prior to the selection by lot of the Series B Bonds to be redeemed on the same date by operation of the mandatory sinking fund redemption provisions of Section 7.6.

7.6 Mandatory Redemption.

The Series B Bonds shall be subject to mandatory sinking fund redemption prior to maturity by the Commission in part on December 1 of the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date (provided that if December 1 of any year is not a Business Day, the redemption date shall be the first Business Day following such December 1):

<u>Year (December 1)</u>	<u>Principal Amount</u>
2002	\$16,570,000
2003	12,625,000
2004	13,235,000
2005	16,070,000
2006	16,815,000
2007	17,625,000
2008	18,470,000
2009	13,740,000
2010	11,515,000
2011	11,845,000
2012*	12,370,000

\* Stated maturity.

(End of Article VII)

ARTICLE VIII  
COVENANTS OF THE COMMISSION

8.1 Payment of Principal of and Interest on Series B Bonds.

The Commission shall promptly pay or cause to be paid the principal or redemption price of, and the interest on, every Series B Bond issued hereunder according to the terms thereof, but shall be required to make such payment or cause such payment to be made only out of Revenues or otherwise from the Trust Estate.

8.2 Corporate Existence; Compliance with Laws.

The Commission shall maintain its corporate existence; shall use its best efforts to maintain and renew all its rights, powers, privileges and franchises; and shall comply with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any legislative, executive, administrative or judicial body relating to the Commission's participation in the Series B Project or the issuance of the Series B Bonds.

8.3 Further Assurances.

Except to the extent otherwise provided in the Indenture, the Commission shall not enter into any contract or take any action by which the rights of the Trustee, the Bank or the Series B Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Supplemental Indenture No. 2.

8.4 Bonds Not to Become Arbitrage Bonds.

The Commission covenants to the holders of the Series B Bonds that, notwithstanding any other provision of the Indenture, this Supplemental Indenture No. 2 or any other instrument, it will not make any investment or other use of the proceeds of the Series B Bonds which, if such investment or use had been reasonably expected on the Series Issue Date, would have caused the Series B Bonds to be arbitrage bonds under Section 148 of the Code and the rules and regulations thereunder, and the Commission further covenants that it will comply with the requirements of such Section, rules and regulations. The foregoing covenants shall extend throughout the term of the Series B Bonds to all funds and accounts created under this Supplemental Indenture No. 2 and all moneys on deposit to the credit of any such fund or account, and to any other amounts which are Series B Bond proceeds for purposes of Section 148 of the Code and the rules and regulations thereunder.

8.5 Financing Statements.

The Commission shall, at the request of the Trustee, cause financing statements relating to this Supplemental Indenture No. 2 to be filed, in such manner and at such places as may be required by law fully to protect the security of the holders of the Series B Bonds and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof. From time to time, the Trustee may, but shall not be required to, obtain an opinion of Counsel setting forth what, if

any, actions by the Commission, or Trustee should be taken to preserve such security. The Commission shall execute or cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Series B Bondholders, and shall furnish satisfactory evidence to the Trustee of filing and refiling of such instruments and of every additional instrument which shall be necessary to preserve the security of the Series B Bondholders and the Bank and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof until the principal of and interest on the Series B Bonds issued hereunder shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instruments and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel will preserve such security and right, title and interest until the aforesaid principal and interest shall have been paid.

(End of Article VIII)

ARTICLE IX  
THE PAYING AGENT

9.1 Appointment, Capacities and Duties.

The Commission shall appoint the Paying Agent for the purpose of acting as paying agent, Bond Registrar, transfer agent and Authenticating Agent (as agent for the Trustee) for the Series B Bonds as provided by this Supplemental Indenture No. 2, with the Trustee appointed as tender agent and beneficiary of the Series B Liquidity Facility. The Paying Agent shall be a national banking association, a bank and trust company or a trust company. The Commission hereby appoints Wachovia Bank, National Association (formerly First Union National Bank) as Paying Agent and designates the Office of the Paying Agent as a place of payment, such appointment and designation to remain in effect until notice of change pursuant to this Article is filed with the Trustee. The Paying Agent shall act as paying agent, Bond Registrar, transfer agent and Authenticating Agent for the Series B Bonds as provided in this Supplemental Indenture No. 2. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it hereunder by its written instrument of acceptance addressed to the Commission and the Trustee and delivered to such persons and to the Remarketing Agent and the Bank, under which the Paying Agent shall agree to:

(1) hold all sums delivered to it by the Trustee for the payment of principal or redemption price of, premium, if any, on and interest on the Series B Bonds in trust for the benefit of the respective Owners until such sums shall be paid to such Owners or otherwise disposed of as herein provided; and

(2) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the Trustee, the Remarketing Agent, the Commission and the Bank at all reasonable times.

9.2 Paying Agent May Act Through Agents; Answerable Only for Willful Misconduct or Gross Negligence.

The Paying Agent may exercise any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder. The Paying Agent shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith in reliance upon an opinion of Counsel. The Paying Agent shall not be answerable for the exercise of any discretion or power under this Indenture, except only its own willful misconduct or gross negligence.

9.3 Compensation and Indemnity

The Commission shall (i) pay the Paying Agent reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including reasonable compensation for all attorneys and agents engaged by it, and (ii) to the extent permitted by Pennsylvania law, indemnify the Paying Agent, including its officers, directors, employees and agents, against liabilities which it may incur in the exercise and performance of its powers and duties hereunder, except with respect to its willful misconduct or gross negligence.

Notwithstanding anything herein to the contrary, the Paying Agent's obligations herein to make payments on the Series B Bonds shall not be conditioned upon the payment of such compensation, expenses or indemnity.

9.4 Reliance.

The Paying Agent may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, opinion of Counsel or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Indenture; and the Paying Agent shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

9.5 Paying Agent May Deal in Series B Bonds.

The Paying Agent may in good faith buy, sell, own, hold and deal in any of the Series B Bonds and may join in any action which any Bondholders may be entitled to take. The Paying Agent may be, or be affiliated with, the Trustee, the Remarketing Agent and/or the Bank. The Paying Agent may also engage in or be interested in any financial or other transaction with the Commission or any related party; provided that if the Paying Agent determines that any such transaction is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Paying Agent.

9.6 Removal or Resignation of Paying Agent.

The Commission with the consent of the Trustee (if the Trustee is not the Paying Agent or affiliated with the Paying Agent) may discharge the Paying Agent from time to time and appoint a successor. The Commission shall also designate a successor if the Paying Agent resigns or becomes ineligible. The Paying Agent may resign by giving at least 60 days prior written notice to the Trustee, the Remarketing Agent, the Commission and the Bank. Each successor Paying Agent shall be a national banking association having trust powers, a bank and trust company or trust company having a capital and surplus of not less than \$50,000,000 if there be such an institution willing, able and legally qualified to perform the duties of the Paying Agent hereunder upon reasonable or customary terms and shall be capable of performing the duties prescribed for it herein. The Paying Agent may but need not be the same person as the Trustee. The Commission shall direct the Trustee to give notice of the appointment of a successor Paying Agent in writing 15 days prior to such appointment taking effect to each Owner as well as to each Rating Service then rating the Series B Bonds at the request of the Commission. The Trustee will promptly certify to the Commission that it has mailed such notice to all Owners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. In the event of the resignation or removal of the Paying Agent, the Paying Agent shall pay over, assign and deliver any moneys and Bonds, including unauthenticated Series B Bonds, held by it and the Series B Bond Register maintained by it in such capacity to its successor. Such resignation or removal shall take effect only upon the appointment of a successor Paying Agent and such successor Paying Agent's acceptance of such appointment.



9.7 Successor Paying Agents.

Any corporation or association which succeeds to the business of the Paying Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of such Paying Agent under this Indenture provided that the Commission, the Trustee and the Remarketing Agent shall receive at least 30 days prior written notice of such sale, merger, consolidation or other event. In case any Series B Bonds shall have been authenticated, but not delivered, by the Paying Agent then in office, any successor by merger, conversion or consolidation to such authenticating Paying Agent may adopt such authentication and deliver the Bonds, so authenticated with the same effect as if such successor Paying Agent had itself authenticated such Series B Bonds. In the event that the Paying Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Paying Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Commission shall not have appointed its successor, the Trustee shall ipso facto be deemed to be the successor Paying Agent for all purposes until another successor is appointed.

(End of Article IX)

ARTICLE X  
THE REMARKETING AGENT

10.1 Appointment.

The Commission hereby appoints RBC Dain Rauscher, Inc. as Remarketing Agent for the Series B Bonds under this Supplemental Indenture No. 2. The Remarketing Agent and any successor Remarketing Agent, by written instrument delivered to the Commission, the Trustee and the Paying Agent, shall accept the duties and obligations imposed on it under this Supplemental Indenture No. 2. Such duties are limited as set forth in Section 4.2(b).

10.2 Duties.

In addition to the other obligations imposed on the Remarketing Agent hereunder, the Remarketing Agent shall agree to:

- (1) hold all Series B Bonds delivered to it by the Trustee hereunder for delivery to the Owners thereof,
- (2) hold all moneys representing the Purchase Price of Series B Bonds for delivery to the Trustee pursuant hereto for the benefit of the persons entitled to receive the payment of such Purchase Price; and
- (3) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the Commission, the Trustee, the Paying Agent, and the Bank at all reasonable times.

10.3 Qualification.

The Remarketing Agent shall at all times be registered as a Municipal Securities Dealer under the Securities Exchange Act of 1934, as amended, and authorized by law to perform its obligations hereunder.

10.4 Resignation; Removal.

If at any time the Remarketing Agent is unable or unwilling to act as Remarketing Agent, the Remarketing Agent, upon 30 days' prior written notice to the Commission, the Trustee, the Paying Agent and the Bank, may resign. The Remarketing Agent may be removed at any time by the Commission, upon 30 days written notice signed by the Commission delivered to the Trustee, the Paying Agent, the Remarketing Agent, and the Bank. Upon resignation or removal of the Remarketing Agent, the Commission shall appoint a successor Remarketing Agent meeting the qualifications of Section 10.3. Upon the resignation or removal of the Remarketing Agent, the Remarketing Agent shall pay over, assign and deliver any moneys and Series B Bonds held by it pursuant to Section 10.2 to its successor.

10.5 Notices.

The Trustee shall, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, give notice thereof by mail to each Owner of Series B Bonds and to each Rating Service.

(End of Article X)

ARTICLE XI  
EVENTS OF DEFAULT

11.1 Events of Default.

In addition to the Events of Default set forth in the Restated Indenture, the following shall be an "Event of Default" hereunder:

A. If payment of the Purchase Price of any Series B Bond tendered pursuant to Article IV is not made when it becomes due and payable.

11.2 Notice to Bank of Events of Default

The Trustee agrees that it will give the Bank written notice of any Event of Default under the Indenture at the same time as such notice is given to the holders of the Bonds.

(End of Article XI)

ARTICLE XII  
DEFEASANCE

12.1 Defeasance.

When the principal or redemption price (as the case may be) of, and interest on, all Series B Bonds issued hereunder have been paid, or provision has been made for payment of the same and for payment of any Purchase Price which may become payable pursuant to Article IV, together with the compensation and expenses of the Trustee and the Paying Agent and all other sums payable hereunder by the Commission, the Trustee, on demand of the Commission, shall release this Supplemental Indenture No. 2 and shall execute such documents to evidence such release as may be reasonably required by the Commission and shall turn over, and direct the Paying Agent to turn over, to the Commission or to such person, body or authority as may be entitled to receive the same all balances then held by it or the Paying Agent hereunder not required for the payment of the Series B Bonds and such other sums; provided that in the event there has been a drawing under the Series B Liquidity Facility for which the Bank has not been fully reimbursed pursuant to the Series B Liquidity Facility or any other obligations are then due and owing to the Bank under the Series B Liquidity Facility, no defeasance hereunder or under the Indenture or the Restated Indenture shall be deemed to have occurred until all such amounts have been paid or satisfied and the Trustee and the Paying Agent shall assign and turn over to the Bank, as successor, subrogee or otherwise, all of the Trustee's right, title and interest under this Supplemental Indenture No. 2 and all balances held hereunder with respect to the Series B Bonds not required for the payment of the Series B Bonds. If payment or provision therefor is made with respect to less than all of the Series B Bonds, the particular Series B Bonds (or portions thereof) for which provision for payment shall have been made shall be selected by lot or by such other method as the Paying Agent deems fair and appropriate, and thereupon the Trustee shall take similar action for the release of the Indenture with respect to such Series B Bonds, provided that any Bank Bonds shall be selected first for payment or provision therefor.

12.2 Provision for Payment.

(a) Provision for the payment of Series B Bonds shall be deemed to have been made when the Trustee and the Paying Agent hold in the Debt Service Fund (1) cash in an amount sufficient to make all payments (including principal, premium, if any, interest and Purchase Price payments, if any) specified above with respect to such Series B Bonds, or (2) obligations described in paragraph (1) of the definition of Permitted Investments or noncallable Government Obligations (other than obligations described in paragraph (c) or (d) of the definition of Government Obligations) maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient (together with any earnings thereon) to make all such payments, or (3) any combination of cash and obligations described in clause (2) above the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient (together with any earnings thereon) to make all such payments. If provision is to be made for the payment of less than 100% of the Series B Bonds Outstanding, the Trustee shall have received written confirmation from each Rating Service then rating the

Series B Bonds at the request of the Commission that any ratings on the Series B Bonds for which such payment provision is not to be made will remain unaffected by such provision.

(b) Neither the moneys nor the obligations deposited with the Trustee or the Paying Agent pursuant to this Article shall be withdrawn or used for any purpose other than, and such obligations and moneys shall be segregated and held in trust for, the payment of the principal or redemption price of, premium, if any, on and interest on, the Series B Bonds (or portions thereof) to be no longer entitled to the lien of this Indenture, or for the payment of the Purchase Price of such Series B Bonds in accordance with Article IV; provided that such moneys, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the earlier of (i) the date moneys may be required for the purchase of Series B Bonds pursuant to Article IV and (ii) the Interest Payment Date next succeeding the date of investment or reinvestment.

(c) Whenever moneys or obligations shall be deposited with the Trustee or the Paying Agent for the payment or redemption of Series B Bonds more than 60 days prior to the date that such Series B Bonds are to mature or be redeemed, the Paying Agent shall mail a notice to the Owners of Series B Bonds for the payment of which such moneys or obligations are being held at their registered addresses stating that such moneys or obligations have been deposited. Such notice shall also be sent by the Paying Agent to each Rating Service if then rating the Series B Bonds at the request of the Commission. Notwithstanding the foregoing, no provision for payment under this Section shall be deemed to have been made with respect to any Series B Bonds which are to be redeemed prior to their stated maturity until such Series B Bonds shall have been irrevocably called or designated for redemption on a date thereafter on which such Series B Bonds may be redeemed in accordance with the provisions of this Supplemental Indenture No. 2 and proper notice of such redemption shall have been given in accordance with Article VII or the Commission shall have given the Trustee and the Paying Agent, in form satisfactory to the Trustee and the Paying Agent, irrevocable instructions to give, in the manner and at the times prescribed by Article VII, notice of such redemption. Notwithstanding the foregoing, no provision for payment under this Section shall be deemed to have been made, unless the Trustee shall have received written confirmation from each Rating Service then rating the Series B Bonds at the request of the Commission that any ratings on the Series B Bonds for which such payment shall have been made will remain unaffected by such provision.

### 12.3 Deposit of Funds for Payment of Bonds.

If the principal or redemption price of any Series B Bonds becoming due, either at maturity, by call for redemption, upon acceleration or otherwise, together with all interest accruing thereon to the due date and all Purchase Price which may become payable with respect thereto pursuant to Article IV, has been paid or provision therefor made in accordance with Section 12.2, all interest on such Series B Bonds shall cease to accrue on the due date and all Purchase Price which may become payable with respect thereto pursuant to Article IV, and all liability of the Commission with respect to such Series B Bonds shall likewise cease, except as hereinafter provided. Thereafter, the Owners of such Series B Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Series B Bonds, and the Trustee and the Paying Agent shall hold such funds in trust for such Owners uninvested and without liability for interest thereon. Moneys so deposited with the

Trustee or the Paying Agent which remain unclaimed five years after the date payment thereof becomes due shall, at the request of the Commission and if the Commission is not at the time to the knowledge of the Trustee in default with respect to any covenant contained in the Indenture or the Series B Bonds, be paid to the Commission, and the Owners of the Series B Bonds for which the deposit was made shall thereafter be limited to a claim against the Commission; provided that the Trustee, before making payment to the Commission, may, at the expense of the Commission, cause a notice to be given to the Owners of the Series B Bonds at their registered addresses, stating that the moneys remaining unclaimed will be returned to the Commission after a specified date.

(End of Article XII)

ARTICLE XIII  
RESTATED INDENTURE

13.1 Restated Indenture.

Upon receipt of the consent of the holders of 100% in principal amount of the outstanding Bonds, the Restated Indenture in the form of Exhibit A to the Twelfth Supplemental Trust Indenture dated as of March 1, 2001 between the Commission and the Trustee, which supplemented the 1986 Indenture (the "Twelfth Supplemental Indenture"), shall become effective. The purchasers of the Series B Bonds, their successors and assigns, shall be deemed to have consented irrevocably to the Restated Indenture and the effectiveness of the Restated Indenture by purchasing the Series B Bonds for purposes of this Section 13.1 and Section 1102 of the 1986 Indenture. Upon the issuance of the Series A Bonds and the Series B Bonds, the Prior Bonds will be defeased, and the holders of all of the outstanding Bonds (including the Series Q Bonds, the Series R Bonds, the Series S Bonds, the Series T Bonds, Series U Bonds, the Series A Bonds and the Series B Bonds), will have consented to the Restated Indenture so that the Restated Indenture shall be in full force and effect as of the date of issuance of the Series B Bonds and the Series A Bonds.

(End of Article XIII)



ARTICLE XIII  
MISCELLANEOUS PROVISIONS

14.1 No Rights Conferred on Others.

Nothing herein contained shall confer any right upon any person other than the parties hereto, the Paying Agent, the Remarketing Agent, the Bank and the Owners of the Series B Bonds.

14.2 Legal, etc. Provisions Disregarded.

In case any provision in this Supplemental Indenture No. 2 or the Series B Bonds shall for any reason be held invalid, illegal or unenforceable in any respect, this Supplemental Indenture No. 2 shall be construed as if such provision had never been contained herein.

14.3 Notices.

All notices and other communications provided for hereunder shall be in writing and sent by United States certified or registered mail, return receipt requested, or by telegraph, telex, telecopier or private delivery service or personal service, addressed as follows:

If to the Commission:

Pennsylvania Turnpike Commission  
P. O. Box 67676  
Route 283, Eisenhower Boulevard  
Highspire, PA 16034  
Attention: Deputy Executive Director of Finance and Administration

If to the Trustee:

Wachovia Bank, National Association  
123 S. Broad Street,  
Mailcode: PA 1249  
Philadelphia, PA 19109  
  
Attention: Corporate Trust Department

If to the Paying Agent:

Wachovia Bank, National Association  
123 S. Broad Street,  
Mailcode: PA 1249  
Philadelphia, PA 19109  
  
Attention: Corporate Trust Department

If to the Remarketing Agent:

RBC Dain Rauscher Inc.  
One Logan Square  
130 North 18<sup>th</sup> Street  
Philadelphia, PA 19103

Attention: Manager, Short-Term Finance Group

If to the Bank:

Dexia Crédit Local  
445 Park Avenue, 8<sup>th</sup> Floor  
New York, NY 10022  
Attention: Vice President and Manager, Public Finance

If to Moody's:

Moody's Investors Service, Inc.  
99 Church Street  
New York, NY 10007  
Attention: Municipal Structured Finance

If to S&P:

Standard & Poor's Ratings Group  
55 Water Street, 38<sup>th</sup> Floor  
New York, NY 10041  
Attention: Muni Structured Group/Transportation

If to Fitch:

Fitch, Inc.  
One State Street Plaza  
New York, NY 10004  
Attention: Municipal Structured Finance, 28<sup>th</sup> Floor

Either party hereto and the Paying Agent, the Remarketing Agent, and the Bank may change the address to which notices to it are to be sent by written notice given to the other persons listed in this Section. All notices shall, when mailed as aforesaid, be effective on the date indicated on the return receipt, and all notices given by other means shall be effective when received.

14.4 Successors and Assigns.

All the covenants, promises and agreements in this Supplemental Indenture No. 2 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.

14.5 Headings for Convenience Only.

The descriptive headings in this Supplemental Indenture No. 2 are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

14.6 Counterparts.

This Supplemental Indenture No. 2 may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

14.7 Information Under Uniform Commercial Code.

The following information is stated in order to facilitate filings under the Uniform Commercial Code:

The secured party is Wachovia Bank, National Association, Trustee. Its address from which information concerning the security interest may be obtained is set forth in Section 13.3. The debtor is Pennsylvania Turnpike Commission. Its mailing address is set forth in Section 13.3.

14.8 Applicable Law.

This Supplemental Indenture No. 2 shall be governed by and construed in accordance with the laws of the State.

14.9 Bank's Rights.

The Bank is hereby explicitly recognized as a third party beneficiary to this Supplemental Indenture No. 2 and, upon the conditions set forth herein, shall be entitled to enforce the obligations of the Trustee, the Paying Agent and the Commission hereunder. In the event the Series B Liquidity Facility shall have terminated without being replaced by another Series B Liquidity Facility and the Commission shall have paid and performed all of its obligations under the Series B Liquidity Facility, then no further action with respect to the Series B Liquidity Facility or notice to or consent of the Bank shall thereafter be required under the terms of this Supplemental Indenture No. 2 and the Bank shall cease to be a third party beneficiary of this Indenture.

14.10 Notice to Rating Service

The Trustee shall promptly notify each Rating Service then rating the Series B Bonds at the request of the Commission of any material amendment or supplement to the Restated Indenture, this Supplemental Indenture No. 2, the Remarketing Agreement, the Series B Liquidity Facility or any mortgage, deed of trust, security agreement or guaranty securing payments due under the Series B Liquidity Facility; of any change in the Bank, the Trustee or the Paying Agent; of the extension, expiration, termination or substitution of the Series B Liquidity Facility; of any conversion of the Series B Bonds to a Rate Mode not covered by the Series B Liquidity Facility; of any redemption of Series B Bonds; of any acceleration of the Series B Bonds; and upon the payment in full of all the Series B Bonds.

14.11 Amendment of Series B Liquidity Facility.

If the Commission or the Bank proposes to amend the Series B Liquidity Facility, the Trustee may consent thereto, provided that (i) if such proposal would amend the Series B Liquidity Facility in such a way as would materially adversely affect the interests of the Series B Bondholders, the Trustee shall notify the Series B Bondholders of the proposed amendment and may consent thereto only with the prior written consent of Owners of a majority in aggregate principal amount of the Series B Bonds then Outstanding, and (ii) the Trustee shall not, without the unanimous consent of all Series B Bondholders, consent to any amendment which would decrease the amounts payable under the Series B Liquidity Facility in respect of Outstanding Series B Bonds on the date of purchase of the Series B Bonds, or advance the Expiration Date of the Series B Liquidity Facility to an earlier date. No consent of the Series B Bondholders shall be required for amendments to the Series B Liquidity Facility which are provided for or contemplated by the Indenture.

14.12 Bank Consent.

Notwithstanding anything herein contained, so long as a Series B Liquidity Facility is held by the Trustee and there is no failure of the Bank to honor a drawing requested under the Series B Liquidity Facility, no amendment shall be made to the Indenture affecting the rights of the Bank with respect to the Series B Bonds without the prior written consent of the Bank.

14.13 Miscellaneous Provisions Concerning the Trustee.

(a) Notwithstanding any contrary provisions of the Indenture or this Supplemental Indenture No. 2, the Trustee's obligations hereunder with respect to drawing on the Series B Liquidity Facility, payment of Purchase Price of any Series B Bond or provision of notice of redemption or mandatory tender with respect to any Series B Bond shall not be conditioned upon receipt of indemnity.

(b) Notwithstanding any contrary provisions of the Indenture or this Supplemental Indenture No. 2, the resignation, removal or replacement of the Trustee shall not take effect until the Trustee has taken all steps necessary to effect the transfer of the Series B Liquidity Facility to the successor Trustee.

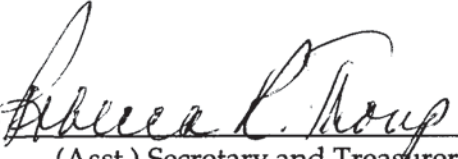
(c) Notwithstanding any contrary provisions of the Indenture or this Supplemental Indenture No. 2, the Trustee agrees that it shall have no lien pursuant to Section 905 of the Indenture on amounts held in the Series B Remarketing Proceeds Purchase Account or the Series B Liquidity Facility Purchase Account.

(End of Article XIII)

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Pennsylvania Turnpike Commission has caused this Indenture to be executed by its authorized officer and attested by its Secretary and Treasurer or other authorized officer, and Wachovia Bank, National Association, as Trustee, has caused this Indenture to be executed by one of its Vice Presidents and attested by one of its Authorized Officers, all as of the day and year first above written.

ATTEST:

By:   
(Asst.) Secretary and Treasurer

PENNSYLVANIA TURNPIKE  
COMMISSION

By   
Deputy Executive Director,  
Finance and Administration

ATTEST:

By: \_\_\_\_\_  
Authorized Officer

WACHOVIA BANK, NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
Vice President

IN WITNESS WHEREOF, Pennsylvania Turnpike Commission has caused this Indenture to be executed by its authorized officer and attested by its Secretary and Treasurer or other authorized officer, and Wachovia Bank, National Association, as Trustee, has caused this Indenture to be executed by one of its Vice Presidents and attested by one of its Authorized Officers, all as of the day and year first above written.

ATTEST:


PENNSYLVANIA TURNPIKE  
COMMISSION

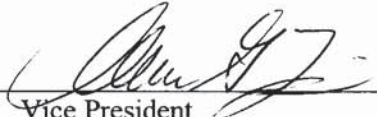
By: \_\_\_\_\_  
(Asst.) Secretary and Treasurer

By \_\_\_\_\_  
Deputy Executive Director,  
Finance and Administration

ATTEST:

WACHOVIA BANK, NATIONAL  
ASSOCIATION, as Trustee

By:   
Authorized Officer

By   
Vice President