

SUPPLEMENTAL TRUST INDENTURE NO. 16

Dated as of April, 2014

by and between

PENNSYLVANIA TURNPIKE COMMISSION

and

WELLS FARGO BANK, N.A. (Successor to TD BANK, NATIONAL ASSOCIATION),  
as Trustee

Supplementing SUBORDINATE TRUST

INDENTURE Dated as of April, 2008

Securing

\$148,300,359.25

Pennsylvania Turnpike Commission  
Turnpike Subordinate Revenue Bonds,  
Series A of 2014

consisting of

\$108,050,000 Sub-Series A-1

\$25,300,166.35 Sub-Series A-2 (Convertible Capital Appreciation Bonds)

\$14,950,192.90 Sub-Series A-3 (Capital Appreciation Bonds)

and

\$59,739,936.20

Pennsylvania Turnpike Commission  
Motor License Fund-Enhanced Turnpike Subordinate Special Revenue Bonds,  
Series A of 2014

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SUPPLEMENTAL TRUST INDENTURE NO. 16

This SUPPLEMENTAL TRUST INDENTURE NO. 16 (this "Supplemental Indenture No. 16") is dated as of April 1, 2014, by and between PENNSYLVANIA TURNPIKE COMMISSION (the "Commission"), an instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth"), and WELLS FARGO BANK, N.A., successor to TD BANK, NATIONAL ASSOCIATION, as Trustee (the "Trustee"), a national banking association organized and existing under the laws of the United States of America.

RECITALS:

WHEREAS, the Commission, by virtue of the Act approved on July 8, 2007, No. 2007-44 ("Act 44") and the Act approved on November 25, 2013, No. 2013-89 ("Act 89"), is authorized and empowered (1) to make Payments to PennDOT (as defined in the Subordinate Indenture), (2) to issue turnpike revenue or other bonds, notes or other obligations of the Commission for the purpose of making Payments to PennDOT and (3) to pay the principal of and interest on such bonds, notes or other obligations solely from the revenues of the Commission or from such funds as may be available to the Commission for that purpose; and

WHEREAS, the Commission has determined it is required to make Payments to PennDOT for bridge, highway and transit purposes pursuant to the Lease and Funding Agreement dated October 14, 2007, between the Commission and PennDOT, as amended (collectively, the "Funding Agreement") in accordance with Act 44 and Act 89; and

WHEREAS, the obligations of the Commission to make Payments as required under Act 44 and Act 89 are payable only as permitted by any financing documents, financial covenants, liquidity policies or agreements in effect by the Commission; and

WHEREAS, Section 9511.4 of Act 44 provides that the Commission has the power to issue bonds and notes designated as "Special Revenue Bonds," and Section 9511.11 of Act 44 further provides that if the Commission fails to make a regularly scheduled deposit for the payment of debt service on any Special Revenue Bonds, monies in the Commonwealth's Motor License Fund available for such purpose may be used to remedy such default; and

WHEREAS, by virtue of the Act approved May 21, 1937, P.L. 774, as amended by Acts approved on various dates, including May 24, 1945 P.L. 972, February 26, 1947, P.L. 17, May 23, 1951, P.L. 335, August 14, 1951, P.L. 1232, September 30, 1985, P.L. 240, Act 44 and Act 89 (said Acts, as amended, and any successor acts, as amended, being hereinafter sometimes collectively called the "Enabling Acts"), the Commission is authorized to issue bonds, to enter into this Supplemental Indenture No. 16 and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted; and

WHEREAS, the Commission and the Trustee have entered into the Subordinate Indenture (as hereinafter defined) authorizing the issuance of Subordinate Indenture Bonds; and

WHEREAS, the execution and delivery of this Supplemental Indenture No. 16 have been duly authorized by a resolution of the Commission adopted on February 18, 2014; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the Commonwealth and by the rules and regulations of the Commission to happen, exist and be performed precedent to and in connection with the execution and delivery of this Supplemental

Indenture No. 16 have happened, exist and have been performed as so required, in order to make this Supplemental Indenture No. 16 a valid and binding instrument for the security of the 2014A Bonds (as hereinafter defined) in accordance with their terms; and

WHEREAS, the Commission has by resolution, pursuant to the provisions of Section 2.13 of the Subordinate Indenture, duly authorized the issuance of the 2014A Bonds to be issued pursuant to this Supplemental Indenture No. 16; and

WHEREAS, the Commission has determined to issue its bonds pursuant to this Supplemental Indenture No. 16, designated as (i) the "Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Sub-Series A-1 of 2014" (the "2014A Subordinate Bonds") issued in the aggregate principal amount of \$108,050,500, (ii) the "Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Sub-Series A-2 of 2014 (Convertible Capital Appreciation Bonds)" (the "2014A Subordinate Convertible Capital Appreciation Bonds") issued in the initial aggregate principal amount of \$25,300,166.35, (iii) the "Pennsylvania Turnpike Commission Subordinate Revenue Bonds, Sub-Series A-3 of 2014 (Capital Appreciation Bonds)" (the "2014A Subordinate Capital Appreciation Bonds," and, collectively with the 2014A Subordinate Bonds and the 2014A Subordinate Convertible Capital Appreciation Bonds, the "2014A Subordinate Revenue Bonds") issued in the initial aggregate principal amount of \$14,950,192.90, and (iv) the "Pennsylvania Turnpike Commission Motor License Fund Enhanced Turnpike Subordinate Special Revenue Bonds, Series A of 2014 (Convertible Capital Appreciation Bonds)" (the "2014A MLF Special Revenue Convertible Capital Appreciation Bonds" and, collectively with the 2014A Subordinate Revenue Bonds, the "2014A Bonds") issued in the initial aggregate principal amount of \$59,739,936.20; and

WHEREAS, the Commission is issuing the 2014A Subordinate Revenue Bonds to finance the costs of (i) making Payments to PennDOT in accordance with Act 44 and Act 89 to fund certain grants to mass transit agencies, (ii) funding necessary reserves to the extent required for such financing and (iii) paying the costs of issuing the 2014A Subordinate Revenue Bonds (the "2014A Subordinate Revenue Bonds Project"); and

WHEREAS, the Commission is issuing the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds to finance the costs of (i) making Payments to PennDOT in accordance with Act 44 to fund various road, highway, bridge and capital projects, (ii) funding the 2014A MLF Subordinate Special Revenue Bonds Funded Debt Service Sub-Account (as defined herein), and (iii) paying the costs of issuing the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds (the "2014A MLF Subordinate Special Revenue Bonds Project," and together with the 2014A Subordinate Revenue Bonds Project, the "Project"); and

WHEREAS, the scheduled payment of principal or Compounded Amount of and interest on the 2014A Subordinate Capital Appreciation Bonds maturing on December 1, 2040 in the initial principal amount of \$2,865,116.50 (the "Insured 2014A Subordinate Capital Appreciation Bonds") and the scheduled payment of principal or Compounded Amount of and interest on a portion of the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds maturing on December 1, 2037 in the initial principal amount of \$7,081,200 (the "Insured 2014A MLF Subordinate Special Revenue Convertible Capital Appreciation Bonds" and, together with the Insured 2014A Subordinate Capital Appreciation Bonds, the "Insured Bonds") when due are guaranteed under separate insurance policies (each, an "Insurance Policy") issued concurrently with the delivery of the 2014A Bonds by Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof (the "Insurer"); and

WHEREAS, it is expected that a portion of the Payments will be funded with other available monies of the Commission; and

WHEREAS, all things have been done that are necessary for making the 2014A Bonds, when authenticated and issued as provided in the Subordinate Indenture, the valid, binding and legal obligations of the Commission according to the import thereof, and for the creation, execution and delivery of this Supplemental Indenture No. 16.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE

WITNESSETH:

In addition to the granting clauses set forth in the Subordinate 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 2014A 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 (or Compounded Amount if applicable) of, premium, if any, and interest on, the 2014A 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 2014A 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 Subordinate Indenture, a security interest in all right, title and interest of the Commission in and to, the Trust Estate (as defined in the Subordinate Indenture);

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 (or Compounded Amount, if applicable) of, premium, if any, and interest on all 2014A Bonds shall be secured hereby, except as may be otherwise provided in the Subordinate Indenture (as hereinafter defined).

#### ARTICLE I- DEFINITIONS

##### SECTION 1.01 Additional Definitions.

All terms used as defined terms in the Subordinate Indenture, or, following the effectiveness of the Subordinate 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 terms therein unless the context clearly otherwise requires and, in addition, the following terms shall have the meanings specified below:

"Authorized Denominations" shall mean with respect to the 2014A Subordinate Bonds, \$5,000 and any integral multiple thereof, and with respect to the 2014A Subordinate Convertible Capital Appreciation Bonds, the 2014A Subordinate Capital Appreciation Bonds and the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, \$5,000 Maturity Amount and any integral multiple thereof.

"Bond Register" means the registration books of the Commission kept by the Trustee to evidence the registration and transfer of 2014A Bonds.

"Bond Registrar" means the Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Supplemental Indenture No. 16.

"Bondowner," "Holder," "Owner" or "Registered Owner" means the Person in whose name a 2014A Bond is registered on the Bond Register.

"Business Day" means a day other than (i) a Saturday and Sunday, (ii) a day on which the Trustee or banks and trust companies in New York, New York are authorized or required to remain closed, or (iii) a day on which the New York Stock Exchange is closed.

"Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

"Closing Statement" shall have the meaning set forth in Section 5.01.

"Compounded Amount" means as to any 2014A Subordinate Convertible Capital Appreciation Bond, any 2014A Subordinate Capital Appreciation Bond or any 2014A MLF Special Revenue Convertible Capital Appreciation Bond, the initial principal amount of such bond plus accretion of principal compounding on each Compounding Date at any particular time.

"Compounding Date" means each June 1 and December 1, commencing June 1, 2014.

"Current Interest Commencement Date" shall mean June 1, 2024 for the 2014A Subordinate Convertible Capital Appreciation Bonds and December 1, 2021 for the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds.

"Dated Date" shall mean the date set forth on the face of a 2014A Bond and determined as set forth in Sections 2.02(d), (e) and (f).

"Defaulted Interest" means interest on any 2014A Subordinate Bonds or, with respect to any 2014A Subordinate Convertible Capital Appreciation Bond and any 2014A MLF Special Revenue Convertible Capital Appreciation Bond after the applicable Current Interest Commencement Date, which is payable but not paid on the date due.

"Interest Payment Date" means, with respect to the 2014A Subordinate Bonds, each June 1 and December 1, commencing December 1, 2014, with respect to the 2014A Subordinate Convertible Capital Appreciation Bonds, each June 1 and December 1, commencing December 1, 2024 (the December 1 immediately following the Current Interest Commencement Date for the 2014 Subordinate Convertible Capital Appreciation Bonds) and with respect to the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, each June 1 and December 1 commencing on the June 1, 2022 (the June 1 immediately following the applicable Current Interest Commencement Date for the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds).

"Maturity Amount" means, as to any 2014A Subordinate Convertible Capital Appreciation Bond or any 2014A MLF Special Revenue Convertible Capital Appreciation Bond, the Compounded Amount as of the applicable Current Interest Commencement Date and as to any 2014A Subordinate Capital Appreciation Bond, the Compounded Amount as of the date of maturity of such bond.

"Opinion of Counsel" means an opinion in writing signed by legal counsel acceptable to the Commission and the Trustee who may be an employee of or counsel to the Commission.

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

"Paying Agent" means Wells Fargo Bank, N.A., and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by this Supplemental Indenture No. 16 or any other Supplemental Indenture as paying agent for the 2014A Bonds at which the principal (or Compounded Amount, if applicable) of and redemption premium, if any, and interest on such 2014A Bonds shall be payable.

"Principal Office" means, with respect to any entity performing functions under this Supplemental Indenture No. 16, the designated office of that entity or its affiliate at which those functions are performed.

"Rating Agency" shall mean each nationally recognized securities rating agency then maintaining a rating on the 2014A Bonds at the request of the Commission, and initially means S&P, Fitch and Moody's as to the 2014A Subordinate Revenue Bonds and Moody's and Fitch as to the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds.

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

"Series" means each of the 2014A Subordinate Revenue Bonds and the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds.

"Series Issue Date" shall have the meaning provided in Section 2.02(d)(i), (e)(i), (f)(i) and (g)(i) hereof.

"Special Record Date" means the date fixed by the Trustee pursuant to Section 3.01(g) for the payment of Defaulted Interest.

"Subordinate Indenture" means the Subordinate Trust Indenture dated as of April 1, 2008 between the Commission and Wells Fargo Bank, N.A. (successor to TD Bank, National Association) as trustee, as amended and supplemented through the date hereof, and by this Supplemental Indenture No. 16, and as it may be further amended and supplemented from time to time.

"Sub-Series" means with respect to the 2014A Subordinate Revenue Bonds, each of the 2014A Subordinate Bonds, the 2014A Subordinate Convertible Capital Appreciation Bonds and the 2014A Subordinate Capital Appreciation Bonds.

"Tax Agreement" means the Tax Regulatory Agreement and Non-Arbitrage Certificate executed and delivered by the Commission containing representations and covenants regarding the preservation of the tax-exempt status of the interest on the 2014A Bonds, the investment of proceeds of the 2014A Bonds, and the calculation and payment of rebate amounts under Section 148(f) of the Code.



"Trustee" means Wells Fargo Bank, N.A. (successor to TD Bank, National Association), a national banking association organized and existing under the laws of the United States of America, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"2014A Bonds Rebate Fund" means the fund so designated which is authorized to be established pursuant to Section 5.08.

"2014A MLF Subordinate Special Revenue Bonds Clearing Fund" means the fund so designated which is authorized to be established pursuant to Section 5.02.

"2014A MLF Subordinate Special Revenue Bonds Interest Sub-Account" means the fund so designated which is authorized to be established pursuant to Section 5.07(a).

"2014A MLF Subordinate Special Revenue Bonds Principal Sub-Account" means the fund so designated which is authorized to be established pursuant to Section 5.07(a).

"2014A MLF Subordinate Special Revenue Bonds Project Fund" means the fund so designated which is authorized to be established pursuant to Section 5.04.

"2014A MLF Subordinate Special Revenue Bonds Funded Debt Service Sub-Account" means the fund so designated which is authorized to be established pursuant to Section 5.07(b).

"2014A Subordinate Revenue Bonds Clearing Fund" means the fund so designated which is authorized to be established pursuant to Section 5.01.

"2014A Subordinate Revenue Bonds Interest Sub-Account" means the fund so designated which is authorized to be established pursuant to Section 5.06.

"2014A Subordinate Revenue Bonds Principal Sub-Account" means the fund so designated which is authorized to be established pursuant to Section 5.06.

"2014A Subordinate Revenue Bonds Project Fund" means the fund so designated which is authorized to be established pursuant to Section 5.03.

"2014A Subordinate Revenue Bonds Sub-Account of the Debt Service Reserve Fund" means the fund so designated which is authorized to be established pursuant to Section 5.05.

"Written Request" means a request in writing signed by the Commission Official or any other officers designated by the Commission to sign such Written Request.

#### SECTION 1.02 Rules of Construction; Time of Day.

In this Supplemental Indenture No. 16, 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 forms of 2014A Bonds) refer to this Supplemental Indenture No. 16, and (iv) all references to particular Articles or Sections are references to the Articles or Sections of this Supplemental Indenture No. 16 unless otherwise specified. References to any time of the day in this Supplemental Indenture No. 16 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 Agency shall be without reference to subcategories.

ARTICLE IT- 2014A BONDS

SECTION 2.01 Amount of Bonds; Purpose.

An aggregate principal amount of \$108,050,000 of 2014A Subordinate Bonds, \$25,300,166.35 initial aggregate principal amount of 2014A Subordinate Convertible Capital Appreciation Bonds, \$14,950,192.20 initial aggregate principal amount of 2014A Subordinate Capital Appreciation Bonds and \$59,739,936.20 initial aggregate principal amount of 2014A MLF Special Revenue Convertible Capital Appreciation Bonds are authorized for issuance pursuant to this Supplemental Indenture No. 16, all of which will be issued on the Series Issue Date. The 2014A Bonds shall be issued and secured under this Supplemental Indenture No. 16 for the purposes set forth in the Recitals.

SECTION 2.02 Designation, Denominations, Maturity Dates and Interest.

(a) The 2014A Subordinate Bonds shall be designated "Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Sub-Series A-1 of 2014," the 2014A Subordinate Convertible Capital Appreciation Bonds shall be designated "Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Sub-Series A-2 of 2014 (Convertible Capital Appreciation Bonds)," the 2014A Subordinate Capital Appreciation Bonds shall be designated the "Pennsylvania Turnpike Commission Subordinate Revenue Bonds, Sub-Series A-3 of 2014 (Capital Appreciation Bonds)", and the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall be designated the "Pennsylvania Turnpike Commission Motor License Fund-Enhanced Turnpike Subordinate Special Revenue Bonds, Series A of 2014 (Convertible Capital Appreciation Bonds)."

(b) The 2014A Bonds shall be issuable only in Authorized Denominations.

(c) (i) The 2014A Subordinate Bonds shall mature pursuant to the following schedule and shall bear interest at the annual rates set forth in the following schedule, subject to prior redemption as provided in Article VI or in the form of 2014A Subordinate Bonds attached to this Supplemental Indenture No. 16 as Exhibit A-1.

Maturity Date <b>(December 1)</b>	Principal <b>Amount</b>	Interest <b>Rate</b>
2014	\$330,000	2.000%
2015	185,000	3.000%
2016	585,000	3.000%
2017	1,025,000	4.000%
2018	1,515,000	4.000%
2019	2,060,000	5.000%
2020	2,680,000	5.000%
2021	3,375,000	5.000%
2023	650,000	5.000%
2024	305,000	5.000%
2029	4,030,000	5.000%
2030	4,260,000	5.000%

2031	4,485,000	5.000%
2032	4,620,000	5.000%
2033	4,745,000	5.000%
2034	4,895,000	4.125%
2038	29,515,000	5.000%
2043	38,790,000	5.000%

(ii) The 2014A Subordinate Convertible Capital Appreciation Bonds shall mature pursuant to the following schedule subject to prior redemption as provided in Article VI or in the form of 2014A Subordinate Convertible Capital Appreciation Bonds attached to this Supplemental Indenture No. 16 as Exhibit A-2. Interest on the 2014A Subordinate Convertible Capital Appreciation Bonds shall compound from the Series Issue Date to the applicable Current Interest Commencement Date. Prior to such Current Interest Commencement Date, interest on the 2014A Subordinate Convertible Capital Appreciation Bonds shall compound on each Compounding Date as set forth in the schedule attached to the form of 2014A Subordinate Convertible Capital Appreciation Bonds, and shall be treated as accruing in equal daily amounts between Compounding Dates, until payable at maturity or earlier redemption. After the applicable Current Interest Commencement Date, interest on the 2014A Subordinate Convertible Capital Appreciation Bonds, at the rate set forth in the following schedule, will be payable on each Interest Payment Date, commencing December 1, 2024.

Maturity Date (December 1)	Initial <u>Principal Amount</u>	Compounded Amount as of June 1, 2024 Amount Due at Maturity	Interest Rate
2039	\$14,899,220.25	\$24,825,000	5.125%
2040	10,400,946.10	17,330,000	5.125%

(iii) The 2014A Subordinate Capital Appreciation Bonds shall mature pursuant to the following schedule or in the form of 2014A Subordinate Capital Appreciation Bonds attached to this Supplemental Indenture No. 16 as Exhibit A-2. Interest on the 2014A Subordinate Capital Appreciation Bonds shall compound from the Series Issue Date on each Compounding Date as set forth in the schedule attached to the form of 2014A Subordinate Capital Appreciation Bonds, and shall be treated as accruing in equal daily amounts between Compounding Dates, until payable at maturity or earlier redemption.

Maturity Date (December 1)	Initial <u>Principal Amount</u>	Amount Due at Maturity	Interest Rate
2040*	\$2,865,116.50	\$11,365,000	5.250%
2041	7,411,518.80	32,410,000	5.420%
2042	4,673,557.60	21,680,000	5.440%

\*Insured Bonds

(iv) The 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall mature pursuant to the following schedule, subject to prior redemption as provided in Article VI or in the form of 2014A MLF Special Revenue Convertible Capital Appreciation Bonds attached to this Supplemental Indenture No. 16 as Exhibit A-4. Interest on the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall compound from the Series Issue Date to the applicable Current Interest Commencement Date. Prior to such Current Interest Commencement Date, interest on the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall compound on each Compounding Date as set forth in the schedule attached to the form of 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, and shall be treated as accruing in equal daily amounts between Compounding Dates, until payable at maturity or earlier redemption. After the applicable Current Interest Commencement Date, interest on the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, at the rate set forth in the following schedule, will be payable on each Interest Payment Date, commencing June 1, 2022.

Maturity Date (December 1)	Initial <u>Principal Amount</u>	Compounded Amount as of December 1, 2021 and Amount Due at Maturity	Interest Rate
2034	\$17,128,493.90	24,010,000	4.500%
2037*	7,081,200.00	10,000,000	4.600%
2037	23,403,691.80	33,420,000	4.750%
2044	12,126,550.50	17,510,000	4.900%

\*Insured Bonds

(d) (i) The 2014A Subordinate Bonds shall have a Series Issue Date which shall be April 29, 2014, 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 2014A Subordinate Bonds authenticated by the Authenticating Agent. 2014A Subordinate Bonds issued prior to the first Interest Payment Date following the Series Issue Date shall have a Dated Date of April 29, 2014. 2014A Subordinate 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 2014A Subordinate 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 2014A Subordinate Bonds shall be in default, 2014A Subordinate Bonds issued in exchange for 2014A Subordinate 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 2014A Subordinate Bonds or, if no interest has been paid on the 2014A Subordinate Bonds, the Series Issue Date of the 2014A Subordinate Bonds.

(ii) The 2014A Subordinate 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 2014A Subordinate Bonds shall be paid on each Interest Payment Date. Each 2014A Subordinate Bond shall bear interest on overdue principal at the rate borne by such 2014A Subordinate Bond. Interest on the 2014A Subordinate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) (i) The 2014A Subordinate Convertible Capital Appreciation Bonds shall have a Series Issue Date which shall be April 29, 2014, 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 2014A Subordinate Convertible Capital Appreciation Bonds authenticated by the Authenticating Agent. 2014A Subordinate Convertible Capital Appreciation Bonds issued prior to the first Interest Payment Date following the Current Interest Commencement Date shall have a Dated Date which is the Series Issue Date. 2014A Subordinate Convertible Capital Appreciation Bonds issued subsequent to the first Interest Payment Date following the applicable Current Interest Commencement 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 2014A Subordinate Convertible Capital Appreciation 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 2014A Subordinate Convertible Capital Appreciation Bonds shall be in default, 2014A Subordinate Convertible Capital Appreciation Bonds shall be in default, 2014A Subordinate Convertible Capital Appreciation Bonds issued in exchange for 2014A Subordinate Convertible Capital Appreciation 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 2014A Subordinate Convertible Capital Appreciation Bonds or, if no interest has been paid on the 2014A Subordinate Convertible Capital Appreciation Bonds, the Series Issue Date of the 2014A Subordinate Convertible Capital Appreciation Bonds.

(ii) The 2014A Subordinate Convertible Capital Appreciation Bonds shall bear interest from and including the Dated Date until payment of the Compounded Amount 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 2014A Subordinate Convertible Capital Appreciation Bonds shall be payable on each Interest Payment Date in amounts determined by reference to the Compounded Amount of such 2014A Subordinate Convertible Capital Appreciation Bond on the applicable Current Interest Commencement Date. Each 2014A Subordinate Convertible Capital Appreciation Bond shall bear interest on the overdue Compounded Amount at the rate borne by such 2014A Subordinate Convertible Capital Appreciation Bond. Interest on the 2014A Subordinate Convertible Capital Appreciation Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(f) (i) The 2014A Subordinate Capital Appreciation Bonds shall have a Series Issue Date which shall be April 29, 2014, 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 2014A Subordinate Capital Appreciation Bonds authenticated by the Authenticating Agent.

(ii) The 2014A Subordinate Capital Appreciation Bonds shall bear interest from and including the Dated Date until payment of the Maturity Amount 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 2014A Subordinate Capital Appreciation Bonds shall be payable only at maturity or earlier redemption in amounts determined by reference to the Compounded Amount of such 2014A Subordinate Capital Appreciation Bond. Each 2014A Subordinate Capital Appreciation Bond shall bear interest on the overdue Compounded Amount at the rate borne by such 2014A Subordinate Capital Appreciation Bond. Interest on the 2014A Subordinate Capital Appreciation Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(g) (i) The 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall have a Series Issue Date which shall be April 29, 2014, 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 2014A MLF Special Revenue Convertible Capital Appreciation Bonds authenticated by the Authenticating Agent. 2014A MLF Special Revenue Convertible Capital Appreciation Bonds issued prior to the first Interest Payment Date following the applicable Current Interest Commencement Date shall have a Dated Date which is the Series Issue Date. 2014A MLF Special Revenue Convertible Capital Appreciation Bonds issued subsequent to the first Interest Payment Date following the Current Interest Commencement 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 2014A MLF Special Revenue Convertible Capital Appreciation 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 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall be in default, 2014A MLF Special Revenue Convertible Capital Appreciation Bonds issued in exchange for 2014A MLF Special Revenue Convertible Capital Appreciation 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 2014A MLF Special Revenue Convertible Capital Appreciation Bonds or, if no interest has been paid on the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, the Series Issue Date of the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds.

(ii) The 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall bear interest from and including the Dated Date until payment of the Compounded Amount 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 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall be payable on each Interest Payment Date in amounts determined by reference to the Compounded Amount of such 2014A MLF Special Revenue Convertible Capital Appreciation Bonds on the Current Interest Commencement Date. Each 2014A MLF Special Revenue Convertible Capital Appreciation Bond shall bear interest on the overdue Compounded Amount at the rate borne by such 2014A MLF Special Revenue Convertible Capital Appreciation Bond. Interest on the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(h) The 2014A Bonds shall be subject to optional and mandatory redemption as provided in Article VI.

### ARTICLE III- ADDITIONAL BOND PROVISIONS

#### SECTION 3.01 Method and Place of Payment of 2014A Bonds.

(a) All 2014A Bonds shall provide that principal (or Compounded Amount, if applicable), 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 Bond Counsel delivered in connection with the issuance of the 2014A Bonds to be printed on or attached to such 2014A Bonds, and shall cause to be placed on deposit with the Authenticating Agent executed counterparts of such opinion. The Authenticating Agent shall certify to the correctness of the copy appearing on the 2014A 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

2014A Bonds. The 2014A Bonds may bear endorsement or legend satisfactory to the Paying Agent as may be required to conform to usage or law with respect thereto.

(b) The Commission hereby directs the Trustee to pay and deposit from funds available therefor under the Subordinate Indenture into the applicable sub-account of the Debt Service Fund such amounts as are necessary to pay interest and principal (or Compounded Amount, if applicable), on the 2014A Bonds on each Interest Payment Date.

(c) Upon the execution and delivery hereof, the Commission shall execute the 2014A Bonds and deliver them to the Authenticating Agent for authentication. At the direction of the Commission, the Authenticating Agent shall authenticate the 2014A Bonds and deliver them to the purchasers thereof.

(d) The principal (or Compounded Amount, if applicable) of and redemption premium, if any, and interest on the 2014A Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(e) The principal (or Compounded Amount, if applicable) of and the redemption premium, if any, on all 2014A Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such 2014A Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such 2014A Bonds at the Principal Office of the Trustee or of any Paying Agent named in the 2014A Bonds.

(f) The interest payable on each 2014A Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such 2014A Bond is registered on the Bond Register at the close of business on the Record Date for such interest (i) by check or draft mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address as is furnished to the Trustee in writing by such Owner or (ii) by electronic transfer in immediately available funds, if the 2014A Bonds are held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of 2014A Bonds in the aggregate principal amount of at least \$1,000,000 (or Compounded Amount, if applicable), such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

(g) Defaulted Interest with respect to any 2014A Subordinate Bond or 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Special Revenue Convertible Capital Appreciation Bond after the applicable Current Interest Commencement Date, shall cease to be payable to the Owner of such 2014A Subordinate Bond, 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Special Revenue Convertible Capital Appreciation Bond after the applicable Current Interest Commencement Date on the relevant Record Date and shall be payable to the Owner in whose name such 2014A Subordinate Bond, 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Special Revenue Convertible Capital Appreciation Bond after the applicable Current Interest Commencement Date is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The Commission shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each 2014A

Subordinate Bond, 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Special Revenue Convertible Capital Appreciation Bond after the applicable Current Interest Commencement Date and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and shall deposit with the Trustee at the time of such notice an amount of money, in immediately available funds, equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment; money deposited with the Trustee shall be held in trust for the benefit of the Owners of the 2014A Subordinate Bond, 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Special Revenue Convertible Capital Appreciation Bond after the applicable Current Interest Commencement Date entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds or upon satisfactory arrangement for the deposit of such funds, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Commission of such Special Record Date and, in the name and at the expense of the Commission, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner of a 2014A Subordinate Bond, 2014A Subordinate Convertible Capital Appreciation Bond or 2014A MLF Special Revenue Convertible Capital Appreciation Bond after the applicable Current Interest Commencement Date entitled to such notice at the address of such owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

#### SECTION 3.02 Execution and Authentication of 2014A Bonds.

(a) The 2014A Bonds shall be executed on behalf of the Commission by the manual or facsimile signature of the Chairman of the Commission and attested by the manual or facsimile signature of the Secretary, Assistant Secretary, Treasurer or Assistant Treasurer of the Commission, and shall have the corporate seal of the Commission affixed thereto or imprinted thereon. The 2014A MLF Special Revenue Convertible Capital Appreciation Bonds shall also be executed on behalf of the Commonwealth by the manual or facsimile signature of the Governor of the Commonwealth. In case any officer whose signature or facsimile thereof appears on any 2014A Bond shall cease to be such officer, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any 2014A Bond may be signed by such persons as at the actual time of the execution of such 2014A Bond shall be the proper officers to sign such 2014A Bond although at the date of such 2014A Bond such persons may not have been such officers.

(b) The 2014A Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in the applicable exhibit attached hereto, which shall be manually executed by the Trustee. No 2014A Bond shall be entitled to any security or benefit under this Supplemental Indenture No. 16 or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any 2014A Bond shall be conclusive evidence that such 2014A Bond has been duly authenticated and delivered under this Supplemental Indenture No. 16. The Certificate of Authentication on any 2014A Bond shall be deemed to have been duly executed if signed by any authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the Certificate of Authentication on all of the 2014A Bonds that may be issued hereunder at any one time.



SECTION 3.03 Registration, Transfer and Exchange of 2014A Bonds.

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

(b) Any 2014A Bond may be transferred only upon the Bond Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Commission shall execute and the Trustee shall authenticate and deliver in exchange for such 2014A Bond a new 2014A Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Supplemental Indenture No. 16 and of the same maturity and Sub-Series, bearing interest or compounding interest at the same rate, and having the same Current Commencement Date, if applicable.

(c) Any 2014A Bonds, upon surrender thereof at the Principal Office of the Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of 2014A Bonds of the same maturity and Sub-Series, of any denomination or denominations authorized by this Supplemental Indenture No. 16, bearing interest or compounding interest at the same rate and, in the case of 2014A Subordinate Convertible Capital Appreciation Bonds or the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds, having the same Current Interest Commencement Date.

(d) In all cases in which 2014A Bonds shall be exchanged or transferred hereunder, the Commission shall execute and the Trustee shall authenticate and deliver at the earliest practicable time 2014A Bonds in accordance with this Supplemental Indenture No. 16. All 2014A Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee.

(e) The Commission, the Trustee or the Securities Depository may make a charge against the Bondowner requesting the same for every such transfer or exchange of 2014A Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new 2014A Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Commission. In the event any Bondowner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondowner hereunder or under the 2014A Bonds.

(f) As long as the 2014A Bonds are "Book Entry Bonds" (as described in Article IV), the Trustee shall follow the procedures of the Securities Depository with respect to the transfer or exchange of the 2014A Bonds. At such time as the 2014A Bonds are no longer Book Entry Bonds, the Trustee shall not be required to exchange or register the transfer of Bonds after the giving of notice calling such Bond for redemption, in whole or in part.

(g) The Person in whose name any 2014A Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner of such 2014A Bond for all purposes,

and payment of or on account of the principal of and redemption premium, if any, and interest on any such 2014A Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such 2014A Bond, including the interest thereon, to the extent of the sum or sums so paid.

(h) At reasonable times upon prior Written Request and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Commission.

#### SECTION 3.04 Temporary 2014A Bonds.

(a) Until definitive 2014A Bonds are ready for delivery, the Commission may execute, and upon the Written Request of the Commission, the Trustee shall authenticate and deliver, in lieu of definitive 2014A Bonds, but subject to the same limitations and conditions as definitive 2014A Bonds, temporary printed, engraved, lithographed or typewritten 2014A Bonds.

(b) If temporary 2014A Bonds shall be issued, the Commission shall cause the definitive 2014A Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its Principal Office of any temporary 2014A Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive 2014A Bond of the same Series or Sub-Series and maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the temporary 2014A Bonds shall in all respects be entitled to the same benefit and security of this Supplemental Indenture No. 16 as the definitive 2014A Bonds to be issued and authenticated hereunder.

#### SECTION 3.05 Mutilated, Lost, Stolen or Destroyed 2014A Bonds.

In the event any 2014A Bond shall become mutilated, or be lost, stolen or destroyed, the Commission shall execute and the Trustee shall authenticate and deliver a new 2014A Bond of like Series, date and tenor as the 2014A Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated 2014A Bond, such mutilated 2014A Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed 2014A Bond, there shall be first furnished to the Commission and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together, in either such case, with such security or indemnity as may be required by the Trustee to save the Commission and the Trustee harmless. In the event any such 2014A Bond shall have matured or been selected for redemption, instead of issuing a substitute 2014A Bond, the Trustee in its discretion may, instead of issuing a new 2014A Bond, pay, with funds available under this Supplemental Indenture No. 16 for such purpose, such 2014A Bond without surrender thereof. Upon the issuance of any substitute 2014A Bond, the Commission and the Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Commission and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

#### SECTION 3.06 Cancellation and Destruction of 2014A Bonds Upon Payment.

All 2014A Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Supplemental Indenture No. 16, either at or before maturity, shall be canceled and destroyed by the Trustee in compliance with all applicable laws and regulations and the record retention requirements of the Trustee upon the payment, redemption or purchase of such 2014A Bonds and the surrender thereof to the Trustee.

The Trustee shall execute a certificate in triplicate describing the 2014A Bonds so canceled and destroyed, and shall file executed counterparts of such certificate with the Commission.

#### ARTICLE IV- BOOK-ENTRY; SECURITIES DEPOSITORY

##### SECTION 4.01 Book-Entry; Securities Depository

(a) The 2014A Bonds shall initially be "Book Entry Bonds" under the Subordinate Indenture, registered to Cede & Co., the nominee for the Securities Depository, in the form of one fully-registered bond for the aggregate principal amount of the 2014A Bonds of each Series or Sub-Series, maturity and interest rate, and no Beneficial Owner will receive certificates representing its interest in the 2014A Bonds, except as described in Section 2.12 of the Subordinate Indenture. It is anticipated that during the term of the 2014A Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the 2014A Bonds to the Participants until and unless the Trustee authenticates and delivers certificates to the beneficial owners as described in Section 2.12 of the Subordinate Indenture.

(b) The provisions of Section 2.12 of the Subordinate Indenture shall apply to the 2014A Bonds as Book Entry Bonds.

#### ARTICLE V- DISPOSITION OF PROCEEDS; CREATION OF FUNDS AND ACCOUNTS

##### SECTION 5.01 Establishment of 2014A Subordinate Revenue Bonds Clearing Fund.

There is hereby established with the Trustee a fund to be designated the 2014A Subordinate Revenue Bonds Clearing Fund and any accounts or sub-accounts thereof. The proceeds of the 2014A Subordinate Revenue Bonds specified below shall be deposited by the Trustee into the 2014A Subordinate Revenue Bonds Clearing Fund. The Trustee shall deposit therein any additional amounts required to be so deposited by the Commission provided, however, the Trustee shall deposit directly in the Subordinate Revenue Bonds Project Fund, the sum of \$25,000,000 received by the Trustee from the Commission on the Series Issue Date for deposit in the Subordinate Revenue Bonds Project Fund. The Trustee is authorized and directed:

(a) to transfer to the 2014A Subordinate Revenue Bonds Project Fund from the proceeds of the 2014A Subordinate Revenue Bonds the amount set forth in a closing receipt or statement signed by a Commission Official (the "Closing Statement") and to initially invest such amount in such investment as instructed in writing by the Chief Financial Officer of the Commission;

(b) to transfer to the 2014A Subordinate Revenue Bonds Sub-Account of the Debt Service Reserve Fund from the proceeds of the 2014A Subordinate Revenue Bonds the amount set forth in the Closing Statement and to initially invest such amount in such investment as instructed in writing by the Chief Financial Officer of the Commission; and

(c) to pay costs incurred by the Commission in connection with the issuance of the 2014A Subordinate Revenue Bonds from the proceeds of the 2014A Subordinate Revenue Bonds including, but not limited to, those set forth in the Closing Statement.

Any moneys remaining in the 2014A Subordinate Revenue Bonds Clearing Fund on the ninetieth (90th) day after the Series Issue Date shall be allocated to the 2014A Subordinate Revenue Bonds Account of the Debt Service Fund.

SECTION 5.02 Establishment of 2014A MLF Subordinate Special Revenue Bonds Clearing Fund.

There is hereby established with the Trustee a fund to be designated the 2014A MLF Subordinate Special Revenue Bonds Clearing Fund and any accounts or sub-accounts thereof. The proceeds of the 2014A MLF Subordinate Special Revenue Bonds specified below shall be deposited by the Trustee into the 2014A Special Revenue Bonds Clearing Fund. The Trustee shall also deposit any additional amounts therein required to be so deposited by the Commission. The Trustee is authorized and directed:

(a) to transfer to the 2014A MLF Subordinate Special Revenue Bonds Project Fund from the proceeds of the 2014A MLF Subordinate Special Revenue Bonds the amount set forth in the Closing Statement and to initially invest such amount in such investment as instructed in writing by the Chief Financial Officer of the Commission;

(b) to transfer to the 2014A MLF Subordinate Special Revenue Bonds Funded Debt Service Sub-Account of the Debt Service Fund from the proceeds of the 2014A MLF Subordinate Special Revenue Bonds the amount set forth in the Closing Statement and to initially invest such amount in such investment as instructed in writing by the Chief Financial Officer of the Commission; and

(c) to pay costs incurred by the Commission in connection with the issuance of the 2014A MLF Subordinate Special Revenue Bonds from the proceeds of the 2014A MLF Subordinate Special Revenue Bonds including, but not limited to, those set forth in the Closing Statement.

Any moneys remaining in the 2014A MLF Subordinate Special Revenue Bonds Clearing Fund on the ninetieth day after the Series Issue Date shall be allocated to the 2014A MLF Subordinate Special Revenue Bonds Account of the Debt Service Fund.

SECTION 5.03 2014A Subordinate Revenue Bonds Project Fund.

There is hereby created a 2014A Subordinate Revenue Bonds Project Fund. On the Series Issue Date, the Commission shall cause to be deposited with the Trustee into the 2014A Subordinate Revenue Bonds Project Fund the amount set forth in the Closing Statement and certain available monies of the Commission for amounts to pay for costs of the 2014A Subordinate Revenue Bonds project. The Trustee shall disburse \$62,500,000 to PennDOT to pay a portion of the Payment due on April 30, 2014, pursuant to the Funding Agreement. Additional disbursements for costs of the Project shall be made by the Trustee from the 2014A Subordinate Revenue Bonds Project Fund at the written direction of the Commission.

SECTION 5.04 2014A MLF Subordinate Special Revenue Bonds Project Fund.

There is hereby created a 2014A MLF Subordinate Special Revenue Bonds Project Fund. On the Series Issue Date, the Commission shall cause to be deposited with the Trustee into the 2014A MLF Subordinate Special Revenue Bonds Project Fund the amount set forth in the Closing Statement. Upon the written direction of the Commission, the Trustee shall disburse \$50,000,000 to

PennDOT to pay a portion of the Payment due pursuant to the Funding Agreement. Additional disbursements for costs of the 2014A MLF Subordinate Special Revenue Bonds Project shall be made by the Trustee from the 2014A MLF Subordinate Special Revenue Bonds Project Fund at the written direction of the Commission.

SECTION 5.05 2014A Subordinate Revenue Bonds Sub-Account of the Debt Service Reserve Fund.

The 2014A Subordinate Revenue Bonds shall be Debt Service Reserve Fund Bonds for the purpose of the Subordinate Indenture. On the Series Issue Date, the Commission shall cause to be deposited with the Trustee into the 2014A Subordinate Revenue Bonds Sub-Account, which is hereby created, of the Debt Service Reserve Fund from proceeds of the 2014A Subordinate Revenue Bonds the amount set forth in the Closing Statement. Such amount, together with the existing balance in the Debt Service Reserve Fund, will be sufficient to fulfill the Debt Service Reserve Fund Requirement of the Subordinate Indenture with respect to the 2014A Subordinate Revenue Bonds and all outstanding Debt Service Reserve Funds Bonds.

SECTION 5.06 2014A Subordinate Revenue Bonds Interest Sub-Account and 2014A Subordinate Revenue Bonds and Principal Sub-Accounts of the Revenue Bonds Account of the Debt Service Fund.

There are hereby created a 2014A Subordinate Revenue Bonds Interest Sub-Account and a 2014A Subordinate Revenue Bonds Principal Sub-Account of the Revenue Bonds Account of the Debt Service Fund for deposit and disbursement of funds for interest and principal payments on the 2014A Subordinate Revenue Bonds pursuant to Sections 4.01(b)(1), 4.01(b)(2), and 4.06 of the Subordinate Indenture.

SECTION 5.07 2014A MLF Subordinate Special Revenue Bonds Interest Sub-Account, 2014A MLF Subordinate Special Revenue Bonds Principal Sub-Accounts and 2014A MLF Subordinate Special Revenue Bonds Funded Debt Service Sub-Account of the Debt Service Fund.

(a) There are hereby created a 2014A MLF Subordinate Special Revenue Bonds Interest Sub-Account and a 2014A MLF Subordinate Special Revenue Bonds Principal Sub-Account of the Special Revenue Bonds Account of the Debt Service Fund for the disbursement of funds for interest and principal payments on the 2014A MLF Subordinate Special Revenue Bonds pursuant to Sections 4.01(b)(3) and 4.01(b)(4), respectively, and 4.06 of the Subordinate Indenture.

(b) There is further hereby created the 2014A MLF Subordinate Special Revenue Bonds Funded Debt Service Sub-Account of the Debt Service Fund for the deposit and disbursement of funds, as set forth in Sections 4.01(e) and 4.06 of the Subordinate Indenture. Amounts on deposit in the 2014A Special Revenue Bonds Funded Debt Service Sub-Account shall only be used to pay principal and interest on the 2014A MLF Subordinate Special Revenue Bonds. On the Series Issue Date, the Commission shall cause to be deposited with the Trustee into the 2014A MLF Subordinate Special Revenue Bonds Funded Debt Service Sub-Account from proceeds of the 2014A MLF Subordinate Special Revenue Bonds the amount set forth in the Closing Statement. Such amount, together with the existing balance in the Special Revenue Bonds Funded Debt Service Sub-Account of the Debt Service Fund, will be sufficient to fulfill the requirements of Section 4.06 of the Subordinate Indenture with respect to the 2014A MLF Subordinate Special Revenue Bonds and all outstanding Special Revenue Bonds.

SECTION 5.08 2014A Bonds Rebate Fund.

Upon Written Request of the Commission, the Trustee shall establish a fund within the Rebate Fund established pursuant to the Subordinate Indenture to be designated the "2014A Bonds Rebate Fund" which shall be held separate and apart from all other funds and accounts established under the Subordinate Indenture. The Trustee shall make deposits to and disbursements from the 2014A Bonds Rebate Fund in accordance with the Tax Agreement and shall invest the 2014A Bonds Rebate Fund pursuant to the written instructions given to it by the Chief Financial Officer of the Commission. The immediately preceding sentence of this Section 5.08 may be superseded or amended by a new Tax Agreement 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 Agreement will not cause the interest on the 2014A Bonds to become includable in gross income of the recipient thereof for purposes of federal income taxation under Section 103 of the Code.

SECTION 5.09 Investment of Funds.

Moneys on deposit with respect to the 2014A 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 and as provided in Section 5.02 of the Subordinate Indenture.

SECTION 5.10 Investment Earnings.

As provided in Section 5.02 of the Subordinate Indenture, the interest or income received on an investment shall remain in the fund or account to which the investment is credited, however, interest or income received on investments credited to the 2014A Subordinate Revenue Bonds Project Fund and the 2014A MLF Subordinate Special Revenue Bonds Project Fund shall be transferred to the 2014A MLF Subordinate Special Revenue Bonds Interest Sub-Account of the Debt Service Fund.

ARTICLE VI- REDEMPTION OF 2014A BONDS

SECTION 6.01 Optional Redemption.

(a) The 2014A Subordinate Bonds maturing on or after December 1, 2029, are subject to redemption prior to maturity at the option of the Commission at any time on or after December 1, 2024, as a whole or in part by lot at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

(b) The 2014A Subordinate Convertible Capital Appreciation Bonds are subject to redemption prior to maturity at the option of the Commission at any time on or after June 1, 2029, as a whole or in part by lot at a redemption price equal to 100% of the Compounded Amount thereof, plus accrued interest to the redemption date.

(c) The 2014A Subordinate Capital Appreciation Bonds are not subject to optional redemption prior to maturity at the option of the Commission.

(d) The 2014A MLF Special Revenue Convertible Capital Appreciation Bonds are subject to redemption prior to maturity at the option of the Commission at any time on and after December 1, 2026, as whole or in part by lot at a redemption price equal to 100% of the Compounded Amount thereof, plus accrued interest to the redemption date.

SECTION 6.02 Mandatory Sinking Fund Redemption.

(a) The 2014A Subordinate Bonds maturing on December 1, 2038 and December 1, 2043 shall be subject to mandatory sinking fund redemption prior to maturity by the Commission in part on December 1 of the respective years and in the principal amounts each year set forth in the table below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

2014A Subordinate Bonds maturing  
December 1, 2038

Year	Amount
2035	\$2,165,000
2036	2,620,000
2037	3,175,000
2038*	21,555,000

'Final Maturity

2014A Subordinate Bonds maturing  
December 1, 2043

Year	Amount
2042	\$13,870,000
2043*	24,920,000

'Final Maturity

(b) The 2014A MLF Special Revenue Convertible Capital Appreciation Bonds maturing on December 1, 2034, the Insured 2014A MLF Subordinate Special Revenue Bonds maturing on December 1, 2037, the uninsured 2014A MLF Special Revenue Convertible Capital Appreciation Bonds maturing December 1, 2037 and the 2014A MLF Special Revenue Convertible Capital Appreciation Bonds maturing on December 1, 2044 shall be subject to mandatory sinking fund redemption prior to maturity by the Commission in part on December 1 of the respective years and in the principal amounts each year set forth in the tables below, at a redemption price equal to 100% of the Compounded Amount thereof, plus accrued interest to the redemption date:

2014A MLF Convertible Capital  
Appreciation Bonds  
maturing December 1, 2034

<u>Year</u>	<u>Compounded Amount</u>
2026	\$705,000
2027	1,605,000
2028	2,625,000
2030	830,000
2031	2,080,000
2032	3,595,000
2033	5,325,000
2034*	7,245,000

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'Final Maturity

2014A MLF Convertible Capital  
Appreciation Bonds  
maturing December 1, 2037 (Insured)

	<u>Compounded Amount</u>
2035	\$2,825,000
2036	3,320,000
2037*	3,855,000

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'Final Maturity

2014A MLF Convertible Capital  
Appreciation Bonds  
maturing December 1, 2037 (Uninsured)

<u>Year</u>	<u>Amount</u>
2035	\$9,430,000
2036	11,090,000
2037*	12,900,000

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'Final Maturity

2014A MLF Convertible Capital  
Appreciation Bonds  
maturing December 1, 2044

<u>Year</u>	<u>Amount</u>
2038	\$1,515,000
2039	1,780,000
2040	2,065,000
2041	2,420,000
2042	2,810,000
2043	1,985,000
2044*	4,935,000

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'Final Maturity



SECTION 6.03 Partial Redemption.

Except as to any mandatory sinking fund redemption of 2014A Bonds as described above, any partial redemption may be in any order of maturity and in any principal amount within a maturity as designated in writing by the Commission, and in the case of any 2014A Bonds subject to mandatory redemption, the Commission shall be entitled to designate whether such payments shall be credited against principal amounts due at maturity or against particular scheduled mandatory redemption obligations with respect to such 2014A Bonds.

ARTICLE VII -PROVISIONS RELATING TO BOND INSURANCE

SECTION 7.01 Claims Upon the Insurance Policy and payments by the Insurer

Notwithstanding any other provision of the Subordinate Indenture to the contrary, the following provisions shall apply to the Insured Bonds, so long as the Insurance Policy is in full force and effect:

(a) If, on the third Business Day prior to the related scheduled Interest Payment Date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Subordinate Indenture, moneys sufficient to pay the principal or Compounded Amount of and interest on the Insured Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal or Compounded Amount of and interest on the Insured Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

(b) The Paying Agent shall designate any portion of payment of principal or Compounded Amount on the Insured Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount or Compounded Amount of Insured Bonds registered to the then current Insured Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal or Compounded Amount so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Commission on any Insured Bond or the subrogation rights of the Insurer.

(c) The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal or Compounded Amount of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

(d) Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of the Insured Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Insured Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Insured Bondholders in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections hereof regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Commission agrees to pay the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime rate or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Commission hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

(e) Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent or Trustee. Any funds remaining in the Policy Payments Account following a Insured Bond payment date shall promptly be remitted to the Insurer.

#### SECTION 7.02 Information to the Insurer.

Notwithstanding any other provision of the Subordinate Indenture to the contrary, so long as the Insurance Policy is in full force and effect the Insurer shall be provided with the following information by the Commission, Trustee or Paying Agent, as the case may be:

(a) Annual audited financial statements within one hundred eighty (180) days after the end of the Commission's Fiscal Year (together with a certification of the Commission that it is not aware of any default or Event of Default under the Subordinate Indenture), and the Commission's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(b) Notice of any draw upon the 2014A Subordinate Revenue Bonds Sub-Account of the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Insured Bonds;

(c) Notice of any default known to the Trustee or Paying Agent or the Commission within five (5) Business Days after knowledge thereof;

(d) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including principal amount, maturities and CUSIP numbers thereof;

(e) Notice of the resignation or removal of the Trustee, Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(f) Notice of the commencement of any proceedings by or against the Commission commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(g) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of or any payment of principal or Compounded Amount of, or interest on, the Insured Bonds;

(h) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(i) All reports, notices and correspondence to be delivered to Insured bondholders under the terms of the Related Documents.

#### SECTION 7.03 Other Notice and Related Requirements.

Notwithstanding any other provision of the Subordinate Indenture to the contrary, the following provisions shall apply to the Insured Bonds, so long as the Insurance Policy is in full force and effect:

(a) To the extent that the Commission has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(b) The Insurer shall have the right to receive such additional information as it may reasonably request.

(c) The Commission will permit the Insurer to discuss the affairs, finances and accounts of the Commission or any information the Insurer may reasonably request regarding the security for the Insured Bonds with appropriate officers of the Commission and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Commission on any Business Day upon reasonable prior notice.

(d) The Commission shall notify the Insurer of any failure of the Commission to provide notices, certificates and other information under the transaction documents.

(e) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director U Surveillance, Re: Policy Nos. 216020-N and 216021-N, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

#### SECTION 7.04 Defeasance Provisions.

Notwithstanding any other provision in the Subordinate Indenture to the contrary, the following provisions shall apply to the Insured Bonds, so long as the Insurance Policy is in full force and effect:

(a) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is a real party in interest and has a right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof shall be used to effect defeasance of the Insured Bonds unless the Insurer otherwise approves.

(b) To accomplish defeasance, the Commission shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity date or redemption date ("Verification"), (ii) Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel (as selected by the Commission) to the effect that the Insured Bonds are no longer "Outstanding" under the Subordinate Indenture and (iv) a certificate of discharge of the Paying Agent with respect to the Insured Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed to the Commission, the Paying Agent and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow.

(c) Insured Bonds shall be deemed "Outstanding" under the Subordinate Indenture unless they are in fact paid and retired or the above criteria are met.

#### SECTION 7.05 Swap Agreement.

Notwithstanding any other provision of the Subordinate Indenture to the contrary, so long as the Insurance Policy is in full force and effect, any interest rate exchange agreement ("Swap Agreement") entered into by the Commission, payable from and secured by the Commission Payments shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (c) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component of greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Insured Bonds and on any debt on parity with the Insured Bonds. Scheduled Payments may be on parity with the debt service on the Insured Bonds. The Commission shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Commission to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by

S&P and Moody's. If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be reasonably acceptable to the Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Insurer, shall be required. This paragraph does not apply to any Swap Agreement secured under the Commission's Senior Indenture.

#### SECTION 7.06 Miscellaneous Bond Insurance Provisions.

Notwithstanding any other provision of the Subordinate Indenture to the contrary, the following provisions shall apply to the Insured Bonds, so long as the Insurance Policy is in full force and effect:

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the 2014A Subordinate Bonds Sub-Account of the Debt Service Reserve Fund.

(b) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction to taking any other action that the holders of the Insured Bonds are entitled to take pursuant to the Subordinate Indenture pertaining to (i) defaults and remedies and (ii) duties and obligations of the Trustee. Remedies granted to the bondholders shall expressly include mandamus.

(c) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(d) The Insurer shall be included as a third party beneficiary to the Subordinate Indenture.

(e) The exercise of any provision of the Subordinate Indenture which permits the purchase of Insured Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Insured Bond so purchased is not cancelled upon purchase.

(f) Any amendment, supplement, modification to, or waiver of, the Subordinate Indenture or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of the Insured Bondholders or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(g) The rights granted to the Insurer under the Subordinate Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Insured Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Insured Bondholders or any other person is required in addition to the consent of the Insurer.

(h) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Subordinate Indenture and the Insured Bonds relating to such

payments shall remain Outstanding and continue to be due and owing until paid by the Commission in accordance with the Subordinate Indenture. The Subordinate Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(i) Each of the Commission and Trustee covenant and agree to take such action (including, as applicable, filing of *vee* financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

G) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the Commission to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(k) The Commission shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Subordinate Indenture or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Subordinate Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with the Subordinate Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Subordinate Indenture or any other Related Documents.

(l) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Commission or rebate only after the payment of past due and current debt service on the Insured Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(m) The Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Commission (as such terms are defined in the Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Subordinate Indenture, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(n) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Subordinate Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of Additional Bonds, which have been specified by the Commission as "Debt Service Reserve Fund Bonds" pursuant to the Indenture, in either case unless otherwise permitted by the Insurer.

(o) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Subordinate Indenture would adversely affect the security of the Insured Bonds or the rights of the Insured Bondholders, the Trustee shall consider the

effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(p) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

## ARTICLE VIII - MISCELLANEOUS

### SECTION 8.01 Payment of Principal of and Interest on 2014A Bonds.

The Commission shall promptly pay or cause to be paid the principal (or Compounded Amount, if applicable) or redemption price of, and the interest on, every 2014A Bond issued hereunder according to the terms thereof, but shall be required to make such payment or cause such payment to be made only from the Trust Estate.

### SECTION 8.02 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, pennits, orders, requirements and directions of any legislative, executive, administrative or judicial body relating to the Commission's participation in the Project or the issuance of the 2014A Bonds.

### SECTION 8.03 Further Assurances.

Except to the extent otherwise provided in this Supplemental Indenture No. 16, the Commission shall not enter into any contract or take any action by which the rights of the Trustee or the 2014A Bondowners 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. 16.

### SECTION 8.04 2014A Bonds Not to Become Arbitrage Bonds.

The Commission covenants to the Holders of the 2014A Bonds that, notwithstanding any other provision of this Supplemental Indenture No. 16 or any other instrument, it will not make any investment or other use of the proceeds of the 2014A Bonds which, if such investment or use had been reasonably expected on the Series Issue Date, would have caused such 2014A 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 2014A Bonds to all funds and accounts created under this Supplemental Indenture No. 16 and all moneys on deposit to the credit of any such fund or account, and to any other amounts which are 2014A Bond proceeds for purposes of Section 148 of the Code and the rules and regulations thereunder.

### SECTION 8.05 Financing Statements.

The Commission may cause financing statements relating to this Supplemental Indenture No. 16 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 2014A 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 2014A Bondowners, 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 2014A Bondowners and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof until the principal of, Compounded Amount and interest on the 2014A 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.

SECTION 8.06 No Rights Conferred on Others.

Nothing herein contained shall confer any right upon any person other than the parties hereto, the Insurer and the Owners of the 2014A Bonds.

SECTION 8.07 Legal and Other Provisions Disregarded.

In case any provision in this Supplemental Indenture No. 16 or the 2014A Bonds shall for any reason be held invalid, illegal or unenforceable in any respect, this Supplemental Indenture No. 16 shall be construed as if such provision were not included herein.

SECTION 8.08 Notices.

(a) General. 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  
700 South Eisenhower Boulevard  
Middletown, PA 17057

With a copy to: P.O. Box 67676  
Harrisburg, PA 17106-7676  
Attention: Chief Financial Officer

If to the Trustee: Wells Fargo Bank, N.A.  
123 S. Broad Street, Suite 1500  
Philadelphia, PA 19109  
Attention: Joseph Progar, Corporate Trust Department

Either party hereto 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.



SECTION 8.09 Successors and Assigns.

All the covenants, promises and agreements in this Supplemental Indenture No. 16 contained by or on behalf of the Commission, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 8.10 Headings for Convenience Only.

The descriptive headings in this Supplemental Indenture No. 16 are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 8.11 Counterparts.

This Supplemental Indenture No. 16 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.

SECTION 8.12 Information Under Uniform Commercial Code.

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

The secured party is Wells Fargo Bank, N.A., Trustee. Its address from which information concerning the security interest may be obtained is set forth in Section 7.08. The debtor is Pennsylvania Turnpike Commission. Its mailing address is set forth in Section 7.08.

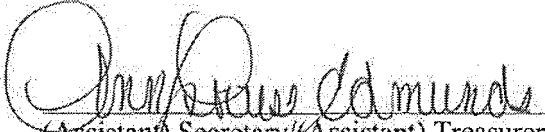
SECTION 8.13 Applicable Law.

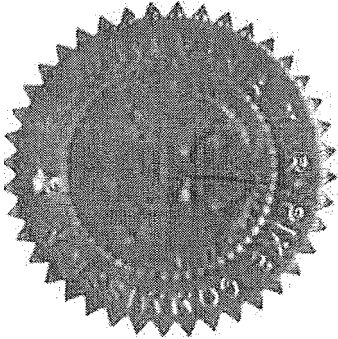
This Supplemental Indenture No. 16 shall be governed by and construed in accordance with the laws of the Commonwealth.

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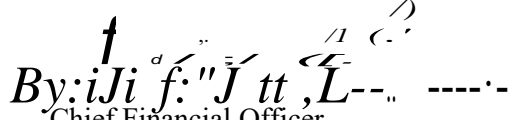
IN WITNESS WHEREOF, the Pennsylvania Turnpike Commission has caused this Supplemental Indenture No. 16 to be executed on behalf of the Commission by its Chief Financial Officer and attested by its (Assistant) Secretary/(Assistant) Treasurer or other authorized officer, and Wells Fargo Bank, N.A., as Trustee, has caused this Supplemental Indenture No. 16 to be executed by one of its Authorized Officers and attested by one of its Authorized Officers all as of the day and year first above written.

ATTEST:

  
(Assistant) Secretary/(Assistant) Treasurer



PENNSYLVANIA TURNPIKE  
COMMISSION

By:   
Chief Financial Officer

ATTEST:

Authorized Officer

WELLS FARGO BANK, N.A.  
Successor to TD Bank, National Association,  
as Trustee

\_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, the Pennsylvania Turnpike Commission has caused this Supplemental Indenture No. 16 to be executed on behalf of the Commission by its Chief Financial Officer and attested by its (Assistant) Secretary/(Assistant) Treasurer or other authorized officer, and Wells Fargo Bank, N.A, as Trustee, has caused this Supplemental Indenture No.16 to be executed by one of its Authorized Officers and attested by one of its Authorized Officers all as of the day and year first above written.

ATTEST:


PENNSILVANIA TURNPIKE  
COMMISSION

\_\_\_\_\_  
(Assistant) Secretary/(Assistant) Treasurer

By: \_\_\_\_\_  
Chief Financial Officer

[SEAL]

WELLS FARGO BANK; N.A.  
Successor to TD Bank National Association  
as Trustee

ATTEST  
  
\_\_\_\_\_  
Authorized Officer

BY \_\_\_\_\_  
Authorized Officer

EXHIBIT A-1

FORM OF 2014A SUBORDINATE BOND

See Closing Tab 2

EXHIBIT A-2

FORM OF 2014A SUBORDINATE CONVERTIBLE  
CAPITAL APPRECIATION BOND

See Closing Tab 2

EXHIBIT A-3

FORM OF 2014A SUBORDINATE CAPITAL APPRECIATION BOND

See Closing Tab 2

EXHffiT A-4

FORM OF 2014A MLF SPECIAL REVENUE CONVERTIBLE  
CAPITAL APPRECIATION BOND

See Closing Tab 3