

SUPPLEMENTAL TRUST INDENTURE NO. 26  
by and between

PENNSYLVANIA TURNPIKE COMMISSION

and

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

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Dated as of April 1, 2017

Relating to

Approved Swap Agreement  
with Royal Bank of Canada  
For

Pennsylvania Turnpike Commission  
Turnpike Subordinate Revenue Refunding Bonds, First Series of 2017  
Additional Bonds

Confirmation or Reference No. 2881659/3199999

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This SUPPLEMENTAL TRUST INDENTURE NO. 26 (this "Supplemental Indenture") is dated as of April 1, 2017, by and among PENNSYLVANIA TURNPIKE COMMISSION (the "Commission"), an instrumentality of the Commonwealth of Pennsylvania, 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 has previously issued various series of its Pennsylvania Turnpike Subordinate Revenue Bonds pursuant to an Indenture of Trust 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 (the "Subordinate Indenture"); and

WHEREAS, Section 2.14 of the Subordinate Indenture permits the Commission to enter into Swap Agreements (as defined in the Subordinate Indenture), and if desired by the Commission, the Commission may cause the payments to be made and received by the Commission under a Swap Agreement to be taken into account in any calculation of Annual Debt Service under the Subordinate Indenture by complying with the requirements of Section 2.14 of the Subordinate Indenture, in which event such Swap Agreement shall constitute an "Approved Swap Agreement" under the Subordinate Indenture; and

WHEREAS, Section 2.14 of the Subordinate Indenture further provides that the Commission may file with the Trustee, together with the other items required by Section 2.14, a supplemental indenture granting the Parity Swap Agreement Counterparty (as defined in the Subordinate Indenture) to an Approved Swap Agreement a parity lien position in the Trust Estate (as defined in the Subordinate Indenture) so that the Commission's scheduled payment obligations thereunder are on a parity with all Bonds outstanding under the Subordinate Indenture and all other Parity Obligations (as defined in the Subordinate Indenture); and

WHEREAS, the Subordinate Indenture notes that the Trustee is a fiduciary solely for the Owners of the Bonds and not a fiduciary of other Secured Owners and, as a result, it is intended that the parity status provided to the Approved Swap Agreements will be achieved through the Trustee acting as collateral agent for the Secured Owners; and

WHEREAS, the Commission intends to issue a series of Subordinate Revenue Refunding Bonds (the "2017 Subordinate Bonds") to finance the costs of (i) advance refunding a portion of the Commission's Turnpike Subordinate Revenue Bonds, Series A of 2009, the principal amount of \$71,475,000; (ii) advance refunding a portion of the Commission's Turnpike Subordinate Revenue Bonds, Series D of 2009, in the principal amount of \$215,130,000; and (iii) paying the costs of issuance of the 2017 Subordinate Bonds and in connection therewith has, inter alia, entered into an interest rate swap agreement (the "RBC Swap Agreement") with Royal Bank of Canada (the "Swap Provider") in the initial notional amount of \$291,850,000; and

WHEREAS, the Commission wishes to cause the RBC Swap Agreement to be an Approved Swap Agreement and a Parity Swap Agreement in connection with the 2017 Subordinate Bonds by entering into this Supplemental Indenture.

**NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE**

**WITNESSETH:**

1. Capitalized terms used in this Supplemental Indenture which are not otherwise defined shall have the meanings set forth in the Subordinate Indenture.

2. Compliance with Section 2.14 of the Subordinate Indenture. The Commission has filed or caused to be filed with the Trustee the items required by Section 2.14 of the Subordinate Indenture, including an opinion of Bond Counsel to such effect. Accordingly, the Swap Agreement constitutes an Approved Swap Agreement and a Parity Swap Agreement, (as defined in the Subordinate Indenture).

3. Confirmation of Parity Security in Trust Estate. The Commission, in consideration of the premises and of the execution and delivery of the RBC Swap Agreement by the Commission and the Swap Provider, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the obligations of the Commission pursuant to the RBC Swap Agreement, does hereby confirm that it has sold, assigned, transferred, granted a security interest, in, set over, and pledged to the Trustee, the Trust Estate.

The Trustee does hereby confirm that, while it is a fiduciary solely of Owners of the Bonds and is not a fiduciary of the other Secured Owners, including the Swap Provider, it shall hold as collateral agent the Trust Estate for the benefit of all Secured Owners, including the Parity Obligations of the Swap Provider, which shall be secured by the Trust Estate on a parity (equal and ratable basis) with the Bonds, except as provided in the Subordinate Indenture.

The Swap Provider by its execution of the Acknowledgment below (a) waives any conflict of interest claim it may have against the Trustee for serving both as fiduciary and as collateral agent pursuant to the terms of the Subordinate Indenture, as supplemented, (b) agrees that the Trustee is serving in such roles to allow the Parity Obligations of the Swap Provider to be secured on a parity with the Bonds and other Secured Obligations; and (c) agrees that the duties and responsibilities of the Trustee hereunder shall be governed by the provisions of the Subordinate Indenture, including Article VIII thereof.

4. Creation of Debt Service Fund Subaccount. Pursuant to Section 4.06 of the Subordinate Indenture, the Trustee shall create a subaccount in the Debt Service Fund called the "RBC Swap Agreement Subaccount" into which payments by the Commission to the Swap Provider are deposited.

5. Defeasance. When the RBC Swap Agreement has been terminated and all obligations of the Commission thereunder have been paid or satisfied in full, the Trustee, upon written request of the Commission, which shall include a representation of such payment or satisfaction in full (and on which the Trustee may rely), shall release this Supplemental Indenture

and shall execute such documents to evidence such release as may be reasonably required by the Commission. Notwithstanding the provisions of Article X of the Subordinate Indenture, so long as the Commission shall have Obligations under the RBC Swap Agreement, the Subordinate Indenture and the Trust Estate shall not be released and shall remain in full force and effect and the security interest therein granted to secure the RBC Swap Agreement shall not be discharged until all such obligations have been satisfied.

6. Notice to Rating Agencies. The Commission agrees that it shall give written notice to each Rating Agency in the event a termination payment is required to be made by the Commission to the Swap Provider pursuant to the RBC Swap Agreement, which notice shall identify the source of funds used for such payment (which may be payments received by the Commission from another Swap Agreement).

7. Successors and Assign. All covenants, promises and agreements in this Supplemental Indenture contained by or on behalf of the parties hereto, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not; provided, however, this Supplemental Trust Indenture shall not become effective until the Acknowledgement below has been signed by the Swap Provider.

8. Third Party Beneficiary. The Swap Provider shall be a third party beneficiary of this Supplemental Indenture and the Subordinate Indenture and, as such, shall be entitled to enforce the provisions hereof as if it were a party hereto in the first instance.

9. Consent for Amendments. Any amendment of the Subordinate Indenture which would have a material adverse effect on the RBC Swap Agreement, as determined by the Swap Provider after notice from the Commission describing the terms of any such amendment, other than supplemental indentures authorizing Approved Swap Agreements, Parity Swap Agreements or any Additional Bonds (each as defined in the Subordinate Indenture) pursuant to the terms of the Subordinate Indenture as of the date hereof, shall not be effective without the written consent of the Swap Provider.

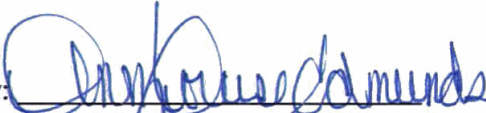
10. Counterpart. This Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

11. Applicable Law. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

**IN WITNESS WHEREOF**, the Pennsylvania Turnpike Commission has caused this Supplemental Indenture No. 26 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. 26 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:

PENNSYLVANIA TURNPIKE COMMISSION

By:   
(Asst.) Secretary and Treasurer

By:   
Chief Financial Officer

ATTEST:

WELLS FARGO BANK, N.A.

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

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

**ACKNOWLEDGEMENT**

Intending to be legally bound hereby, the Swap Provider identified above hereby acknowledges and agrees to the provisions of this Supplemental Trust Indenture No. 26

Royal Bank of Canada

By:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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ATTEST:

PENNSYLVANIA TURNPIKE COMMISSION

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

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

ATTEST:

WELLS FARGO BANK, N.A.

By: *mlc* \_\_\_\_\_  
Authorized Officer

By: *[Signature]* \_\_\_\_\_  
Authorized Officer

**ACKNOWLEDGEMENT**

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ROYAL BANK OF CANADA

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Supplemental Trust Indenture No. 26]

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ATTEST: PENNSYLVANIA TURNPIKE COMMISSION

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

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

ATTEST: WELLS FARGO BANK, N.A.

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


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

**ACKNOWLEDGEMENT**

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ROYAL BANK OF CANADA

Date: May 2, 2017

By:   
Name: \_\_\_\_\_  
Title: Cecile Hollevoet  
Authorized Signatory

[Signature Page to Supplemental Trust Indenture No. 26]