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SECOND SUPPLEMENTAL TRUST INDENTURE

by and among

PENNSYLVANIA TURNPIKE COMMISSION

and

NATIONAL CITY BANK OF PENNSYLVANIA, as Trustee

and

MANUFACTURERS AND TRADERS TRUST COMPANY, as Paying Agent

Dated as of August 1, 2003

Securing

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PENNSYLVANIA TURNPIKE COMMISSION  
OIL FRANCHISE TAX MULTI-MODAL SENIOR REVENUE  
BONDS  
SERIES C OF 2003

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This SECOND SUPPLEMENTAL TRUST INDENTURE (this "Second Supplemental Indenture") is dated as of August 1, 2003, by and among PENNSYLVANIA TURNPIKE COMMISSION (the "Commission"), an instrumentality of the Commonwealth of Pennsylvania, NATIONAL CITY BANK OF PENNSYLVANIA, as Trustee (the "Trustee"), a national banking association organized and existing under the laws of the United States of America and MANUFACTURERS AND TRADERS TRUST COMPANY, as Paying Agent (the "Paying Agent"), a New York state banking corporation.

#### RECITALS:

WHEREAS, by an Act of the General Assembly of Pennsylvania approved May 21, 1937, P.L. 774, Act 211, and certain acts subsequent thereto, the Commission was created and constituted an instrumentality of the Commonwealth, and by virtue of said Act, as amended by Acts approved on various dates, including May 24, 1945, P.L. 972, and February 26, 1947, P.L. 17, and said Acts approved May 23, 1951, P.L. 335, August 14, 1951, P.L. 1232, September 30, 1985, P.L. 240 (Act No. 1985-61), August 5, 1991, P.L. 238 (Act No. 1991-26), April 16, 1992 (Act No. 1992-31) and November 24, 1992, P.L. 725 (said Acts being hereinafter sometimes collectively called the "Enabling Acts"), the Commission is authorized to construct, operate and maintain a turnpike system and to issue bonds payable solely from the revenues of the Commission, including tolls, or from such funds as may be available to the Commission for that purpose;

WHEREAS, the Commonwealth imposes an "oil company franchise tax for highway maintenance and construction" pursuant to 75 Pa. C.S.A. Chap. 95 (the "Oil Franchise Tax"), which is collected by the Department of Revenue of the Commonwealth, deposited in its Motor License Fund and appropriated monthly therefrom pursuant to such statute, with the Commission receiving a portion of the proceeds deposited in the Motor License Fund (the portion of the Oil Franchise Tax appropriated to the Commission is referred to as the "Commission Allocation");

WHEREAS, pursuant to 75 Pa. C.S.A. § 9511(h), the Commonwealth has pledged to any person, firm or corporation acquiring any bonds to be issued by the Commission and secured in whole or in part by a pledge of the portion of such Oil Franchise Tax received by the Commission that "the Commonwealth will not limit or alter the rights vested in the Pennsylvania Turnpike Commission to the appropriation and distribution of such tax revenues"; and

WHEREAS, the Commission previously issued Three Hundred Ten Million Four Hundred Seventy-Five Thousand Dollars (\$310,475,000) in aggregate principal amount of its Oil Franchise Tax Senior Revenue Bonds, Series A of 1998 and Two Hundred Twenty-Eight Million Four Hundred Five Thousand Dollars (\$228,405,000) in aggregate principal amount of its Oil Franchise Tax Subordinated Revenue Bonds, Series B of 1998 (hereinafter the "1998 Series A Senior Bonds" and the "1998 Series B Subordinated Bonds", respectively, and, collectively, the "Series 1998 Bonds"); and



WHEREAS, the Series 1998 Bonds were issued under a Trust Indenture dated as of August 1, 1998 (the "Original Indenture"), by and between the Commission and the Trustee; and

WHEREAS, simultaneously with the issuance of the Series 2003 Multi-Modal Bonds (defined below) hereunder, the Commission is issuing its (i) Pennsylvania Turnpike Commission Oil Franchise Tax Senior Revenue Bonds, Series A of 2003 issued in the aggregate principal amount of \$124,730,000 (hereinafter the "2003 Series A Senior Fixed Rate Bonds") and (ii) Pennsylvania Turnpike Commission Oil Franchise Tax Subordinated Revenue Bonds, Series B of 2003 issued in the aggregate principal amount of \$197,955,000 (hereinafter the "2003 Series B Subordinated Fixed Rate Bonds" and, together with the 2003 Series A Senior Bonds, the "Series 2003 Fixed Rate Bonds") pursuant to a First Supplemental Trust Indenture dated the date hereof (the "First Supplemental Indenture"), by and between the Commission and National City Bank of Pennsylvania, as trustee for the Series 2003 Fixed Rate Bonds; and

WHEREAS, the Original Indenture provides that it may be amended (i) without the consent of the Bondholders through the execution of a Supplemental Indenture for purposes, among others, of issuing Additional Bonds, and (ii) with the consent of a majority of the Bondholders through the execution of a Supplemental Indenture for purposes, among others, of making certain of the amendments as listed in Article VIII herein; and

WHEREAS, the Commission has by resolution, under the provisions of Section 209 of the Original Indenture, duly authorized the issuance of Additional Bonds pursuant to this Second Supplemental Indenture (the Original Indenture, as amended and supplemented by the First Supplemental Indenture and this Second Supplemental Indenture, is referred to hereinafter as the "Indenture"); and

WHEREAS, the Commission has designated the Additional Bonds to be issued pursuant to the Indenture and this Second Supplemental Indenture the Pennsylvania Turnpike Commission Oil Franchise Tax Multi-Modal Senior Revenue Bonds, Series C of 2003 issued in the aggregate principal amount of \$160,000,000 (hereinafter the "Series 2003 Multi-Modal Bonds"); and

WHEREAS, the proceeds of the Series 2003 Multi-Modal Bonds will be used to (i) finance such capital expenditures permitted by the Enabling Acts as the Commission shall determine, and (ii) pay a portion of the costs of issuance of the Series 2003 Multi-Modal Bonds (the "2003 Series Project" or the "Project"); and;

WHEREAS, the Series 2003 Multi-Modal Bonds will be secured by a financial guaranty insurance policy (the "Series 2003 Insurance Policy") issued by MBIA Insurance Corporation (the "Series 2003 Insurer") that guarantees payment of principal and interest on the Series 2003 Multi-Modal Bonds; and

WHEREAS, all things necessary to make the Series 2003 Multi-Modal Bonds, when authenticated and issued as provided in this Second Supplemental Indenture, the valid,



binding and legal obligations of the Commission according to the import thereof, and the creation, execution and delivery of this Second Supplemental Indenture, and the creation, execution and issuance of the Series 2003 Multi-Modal Bonds, subject to the terms hereof, have in all respect been duly authorized;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH, in addition to the granting clauses set forth in the Original Indenture, and as from time to time further amended and supplemented, and in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Series 2003 Multi-Modal Bonds by the holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2003 Multi-Modal Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become holders thereof, and in order to secure the payment of all the Series 2003 Multi-Modal Bonds at any time issued and outstanding hereunder and the interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions therein and herein contained, the Commission does hereby sell, assign, transfer, set over and grant a security interest in and pledge unto the Trustee the following: (i) all Tax Revenues, (ii) the Commission's right to receive the Commission Allocation and any portion of the Commission Allocation actually received by the Commission, (iii) all moneys deposited into accounts or funds created by the Indenture (other than the Rebate Fund), (iv) all Swap Receipts, and (v) all investment earnings on all monies held in accounts and funds established by the Indenture (other than the Rebate Fund) (all of these items shall collectively be known as the "Trust Estate") as security for the payment of the Bonds and the interest thereon and as security for the satisfaction of any other obligation assumed by it in connection with such Series 2003 Multi-Modal Bonds, on parity with all Bonds issued under the Indenture, including any Parity Swap Agreements, Reimbursement Obligations and amounts due under the Insurance Agreement, and it is mutually agreed and covenanted by and between the parties hereto for the equal and proportionate benefit and security of all and singular, the present and future holders of the Series 2003 Multi-Modal Bonds issued and to be issued under the Indenture, without preference, priority or distinction as to lien or otherwise, except as otherwise provided herein or in any Supplemental Indenture, of any one Bond issued under the Indenture over any other Bond by reason of priority in the issuance, sale or negotiation thereof or otherwise except as otherwise provided herein, as follows:

## ARTICLE I

### DEFINITIONS, RULES OF CONSTRUCTION

**Section 1.01 Definitions of Words and Terms.** In addition to words and terms elsewhere defined herein, the following words and terms as used in this Second Supplemental Indenture shall have the following meanings, unless some other meaning is plainly intended:

**"Administrative Expenses"** means those reasonable expenses of the Commission which are properly chargeable to the Commission on account of the Bonds and the Bond Documents as administrative expenses under GAAP and include, without limiting the generality of the foregoing, the following: (a) fees and expenses of the Trustee, the Tender Agent, the



Commission, the Liquidity Provider and the Original Purchaser; and (b) reasonable fees and expenses of counsel to the Commission, the Liquidity Provider, the Trustee and the Tender Agent.

**"ARCs"** means any Series 2003 Multi-Modal Bonds bearing interest at an Auction Rate.

**"ARCs Interest Period"** means each period described in the ARCs Provisions as an "Interest Period" during which the Series 2003 Multi-Modal Bonds bear interest at a particular ARCs Rate.

**"ARCs Provisions"** means the Special Provisions Relating to ARCs attached hereto as Exhibit B.

**"ARCs Rate" or "Auction Rate"** means the rate of interest per annum that results from the implementation of the ARCs Provisions.

**"Auction Agency Agreement"** shall have the meaning set forth in the ARCs Provisions.

**"Auction Agent"** shall have the meaning set forth in the ARCs Provisions.

**"Auction Period"** means the period during which ARCs Rates are in effect for the Series 2003 Multi-Modal Bonds.

**"Authorized Denominations"** means (i) with respect to Fixed Rate Bonds, \$5,000 and any integral multiple thereof, (ii) with respect to ARCs, \$25,000 and any integral multiple thereof, and (iii) with respect to Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds, \$100,000 and any integral multiple thereof.

**"Bond Documents"** means this Second Supplemental Indenture, the Bonds, the Tax Agreement, the Purchase Contract, the Auction Agency Agreement, the Broker-Dealer Agreement, the Market Agent Agreement, the Remarketing Agreement, the Insurance Agreement and the Liquidity Facility and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

**"Bond Insurance Policy"** means the financial guaranty insurance policy issued by the Bond Insurer that guarantees the payment of the principal of and interest on the Series 2003 Multi-Modal Bonds.

**"Bond Insurer"** means MBIA Insurance Corporation a New York stock insurance company, or any successor thereto.

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

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

**"Bond Year"** shall have the meaning assigned to such term in the Tax Agreement.

**"Broker-Dealer"** shall have the meaning set forth in the ARCs Provisions.

**"Broker-Dealer Agreement"** shall have the meaning set forth in the ARCs Provisions.

**"Business Day"** means (a) while the Bonds are ARCs, shall have the meaning set forth in the ARCS Provisions or (b) while the Bonds are not ARCs, a day (i) other than a day on which banks located in the City of New York, New York or the cities in which the Principal Office of the Trustee, the Tender Agent, the Remarketing Agent or the Liquidity Provider are located, are required or authorized by law or executive order to close, and (ii) on which the New York Stock Exchange is not closed.

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

**"Certificate of Commission Representative"** means a written certificate signed by a Commission Representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, the Commission with respect to matters set forth therein.

**"Certified Public Accountant" or "Accountant"** shall mean any firm of certified public accountants (not an individual) who shall be Independent, appointed by the Commission actively engaged in the business of public accounting, and duly certified as a certified public accountant under the laws of the Commonwealth.

**"Clearing Fund"** means the fund by that name created by Section 401 of the Original Indenture.

**"Closing Date"** means the date of initial delivery of and payment for the Bonds.

**"Commission Representative"** means any authorized Commission member or authorized officer of the Commission.

**"Conversion Date"** means a date on which the Series 2003 Multi-Modal Bonds begin to bear interest at ARCs Rates, Daily Rates, Weekly Rates, Short-Term Rates, Long-Term Rates or Fixed Rates as provided in Section 2.04.

**"Costs of Issuance"** means issuance costs with respect to the Series 2003 Multi-Modal Bonds described in Section 147(g) of the Internal Revenue Code, including the following (but excluding the premium for the Bond Insurance Policy and fees of the Bond Insurer's counsel):

- (a) underwriters' spread (whether realized directly or derived through purchase of Series 2003 Multi-Modal Bonds at a discount below the price at which they are expected to be sold to the public);



- (b) counsel fees (including bond counsel, underwriters' counsel, Commission's counsel, Trustee's counsel, Bond Insurer counsel as well as any other specialized counsel fees incurred in connection with the borrowing);
- (c) financial advisor fees of any financial advisor to the Commission incurred in connection with the issuance of the Series 2003 Multi-Modal Bonds;
- (d) rating agency fees;
- (e) trustee, registrar, tender agent, escrow agent and paying agent fees;
- (f) accountant fees and other expenses related to issuance of the Series 2003 Multi-Modal Bonds;
- (g) printing costs (for the Series 2003 Multi-Modal Bonds and of the preliminary and final official statement relating to the Bonds);
- (h) fees and expenses of the Commission incurred in connection with the issuance of the Series 2003 Multi-Modal Bonds; and
- (i) premium due to the Bond Insurer in connection with the Bond Insurance Policy.

**"Counsel"** shall mean, with respect to the Commission, counsel, duly authorized to engage in the practice of law, who may be, but need not be, retained regularly by the Commission, or duly appointed by the Commission.

**"Daily Interest Period"** means each period described in Section 2.03(d) during which the Bonds bear interest at a particular Daily Rate.

**"Daily Rate"** means the per annum interest rate for the Series 2003 Multi-Modal Bonds during a Daily Interest Period determined on a daily basis as provided in Section 2.03(d).

**"Daily Rate Bonds"** means Series 2003 Multi-Modal Bonds bearing interest at a Daily Rate.

**"Daily Rate Period"** means the period during which Daily Rates are in effect for the Series 2003 Multi-Modal Bonds.

**"Defaulted Interest"** means interest on any Series 2003 Multi-Modal Bond which is payable but not paid on the date due.

**"Eligible Moneys"** means:

- (a) during any period a Liquidity Facility is in effect;

- (1) proceeds of the Series 2003 Multi-Modal Bonds which are held in a separate and segregated subaccount in the Senior Bonds Debt Service Fund;
- (2) proceeds from the remarketing of any Series 2003 Multi-Modal Bonds tendered for purchase pursuant to this Second Supplemental Indenture to any Person other than the Commission or any "insider" (as defined in the United States Bankruptcy Code) of the Commission;
- (3) moneys drawn under the Liquidity Facility that are either applied directly to the payment of Purchase Price of the Series 2003 Multi-Modal Bonds or which, if not so applied, are held in a separate and segregated subaccount under this Second Supplemental Indenture until so applied;
- (4) moneys deposited in the Senior Bonds Debt Service Fund that have been continuously on deposit with the Trustee for a period of at least 367 days during which no petition in bankruptcy (or other bankruptcy or similar proceedings) is pending or has been filed by or against the Commission under the United States Bankruptcy Code, as now or hereafter in effect, or other applicable state or federal bankruptcy, insolvency, reorganization or similar law for the relief of debtors, as now or hereafter in effect;
- (5) any other moneys or securities, if there is delivered to the Trustee and the Bond Insurer an Opinion of Counsel from legal counsel having expertise in bankruptcy matters (who, for purposes of such opinion, may assume that no Owner is an "insider," as defined in the United States Bankruptcy Code) to the effect that the use of such moneys or securities to pay the Purchase Price of the Series 2003 Multi-Modal Bonds would not constitute a voidable preferential payment in the event of the occurrence of the filing of a petition in bankruptcy (or other commencement-of-bankruptcy or similar proceedings) by or against the Commission under the United States Bankruptcy Code, as now or hereafter in effect, or other applicable state or federal bankruptcy, insolvency, reorganization or similar law for the relief of debtors, as now or hereafter in effect, and provided that each nationally recognized rating service providing a rating for the Series 2003 Multi-Modal Bonds has confirmed that the use of such funds shall not adversely affect any rating for the Series 2003 Multi-Modal Bonds; and
- (6) earnings derived from the investment of any of the foregoing;

(b) during any period a Liquidity Facility is not in effect, any moneys held by the Trustee in any fund or account under this Second Supplemental Indenture and available, pursuant to the provisions hereof, to be used to pay Purchase Price of the Series 2003 Multi-Modal Bonds.



**"Eligible Moneys Account"** means the account by that name established in the Senior Bonds Debt Service Fund as provided in Section 4.01.

**"Event of Default"** means with respect to this Indenture, any "Event of Default" as defined in Section 801 of the Original Indenture, other than an Event of Default with notice to tender permitted under the Liquidity Agreement.

**"Expiration Date"** means the date upon which the Liquidity Provider's obligation to purchase Series 2003 Multi-Modal Bonds under the Liquidity Facility is scheduled to expire (taking into account any extensions of the Expiration Date) in accordance with its terms, other than by reason of conversion to a different rate period, a substitution of a Substitute Liquidity Facility, an "event of default" or an "event of termination" specified in the Liquidity Facility, or the deposit of a Substitute Liquidity Facility with the Trustee.

**"Extraordinary Services"** and **"Extraordinary Expenses"** means all services rendered and all reasonable expenses properly incurred by the Trustee or any of its agents under this Second Supplemental Indenture, other than Ordinary Services and Ordinary Expenses.

**"Favorable Opinion of Bond Counsel"** means an opinion of nationally recognized bond counsel acceptable to the Commission, addressed to the Commission, the Remarketing Agent, the Liquidity Provider, the Bond Insurer, the Broker-Dealer that is the subject of that opinion and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Second Supplemental Indenture and the Act and will not adversely affect the exclusion of interest on the Series 2003 Multi-Modal Bonds from gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code.

**"Fiscal Year"** means the fiscal year of the Commission, currently the 12-month period beginning on the first day of June of each calendar year and ending on the last day of May of the following calendar year.

**"Fitch"** means Fitch Ratings, and its successors and assigns, or, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, Fitch means any other nationally recognized securities rating service designated by the Commission, with notice to the Trustee with the consent of the Bond Insurer.

**"Fixed Rate"** means a non-variable interest rate or rates to maturity established in accordance with Sections 2.03(h) and 2.04.

**"Fixed Rate Bonds"** means Series 2003 Multi-Modal Bonds bearing interest at a Fixed Rate.

**"Fixed Rate Period"** means the period of time, which shall end at the maturity date for the Series 2003 Multi-Modal Bonds, during which the Series 2003 Multi-Modal Bonds bear interest at a Fixed Rate.

**"GAAP"** means those accounting principles applicable in the preparation of financial statements as promulgated by the Financial Accounting Standards Board or such other body

recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

**"Holder"** shall have the same meaning as the term "Bondowner."

**"Independent"** shall mean, with respect to the Certified Public Accountant and the Consultants, a Person who is not a member of the Commission, an officer or employee of the Commission or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Commission, a corporate officer or employee of the Commission; provided, however, that the fact that such Person is retained regularly by or transacts business with the Commission shall not make such Person an employee within the meaning of this definition.

**"Insurance Agreement"** means the Insurance and Reimbursement Agreement dated as of the date hereof between the Bond Insurer and the Commission.

**"Insured Swap Payments"** means amounts due under a Parity Swap Agreement which are insured by the Bond Insurer to the Parity Swap Counterparty.

**"Interest Payment Date"** means:

- (a) with respect to ARCs, each date defined as such in the ARCs Provisions and any day that is a Conversion Date from an ARCs Rate Period;
- (b) with respect to Series 2003 Multi-Modal Bonds other than ARCs and Liquidity Provider Bonds:
  - (i) as to Daily Rate Bonds and Weekly Rate Bonds, the first Business Day of each calendar month, any day that is a Conversion Date from a Daily Rate Period or a Weekly Rate Period, as appropriate, and the maturity date for the Series 2003 Multi-Modal Bonds;
  - (ii) as to Short-Term Rate Bonds, the first Business Day after the last day of each Short-Term Interest Period and any day that is a Conversion Date from Short-Term Rate Bonds;
  - (iii) as to Long-Term Rate Bonds, each June 1 and December 1 and any day that is a Conversion Date from a Long-Term Rate Period; and
  - (iv) as to Fixed Rate Bonds, each June 1 and December 1 through and including the maturity date for the Series 2003 Multi-Modal Bonds; and
- (c) with respect to Liquidity Provider Bonds, the first Business Day of each calendar month.

**"Interest Rate Period"** means (i) an ARCs Rate Period (comprised of separate ARCs Interest Periods), (ii) a Daily Rate Period (comprised of separate Daily Interest Periods), (iii) a



Weekly Rate Period (comprised of separate Weekly Interest Periods), (iv) a Short-Term Rate (comprised of separate Short-Term Interest Periods), (v) a Long-Term Rate Period (comprised of separate Long-Term Interest Periods), or (vi) a Fixed Rate Period.

**"Internal Revenue Code"** means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

**"Liquidity Account"** means the account by that name in the Purchase Fund established pursuant to Section 3.07(a).

**"Liquidity Facility"** means, with respect to Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Long-Term Rate Bonds, any standby bond purchase agreement, line of credit or other similar agreement, and any related reimbursement agreement, among the Liquidity Provider, the Commission and the Tender Agent which has been consented to in writing by the Bond Insurer, then in effect providing for the purchase of, or the funding of amounts to purchase, Series 2003 Multi-Modal Bonds on Purchase Dates applicable to Series 2003 Multi-Modal Bonds for the then relevant Interest Rate Period, as the same may from time to time be amended or supplemented in accordance with its terms and the terms of this Second Supplemental Indenture.

**"Liquidity Facility Request"** shall have the meaning assigned to that term in Section 3.07(c).

**"Liquidity Provider"** means any commercial bank, other financial institution, the Commission (if the Commission is providing liquidity for any Bonds itself) or other institution issuing a Liquidity Facility then in effect in its capacity as issuer of that Liquidity Facility which entity or the Commission has been approved in writing by the Bond Insurer to act as the Liquidity Provider.

**"Liquidity Provider Bondowner"** means the Owner of any Liquidity Provider Bonds.

**"Liquidity Provider Bonds"** means Series 2003 Multi-Modal Bonds purchased by the Liquidity Provider pursuant to a Liquidity Facility and the terms hereof but excluding Series 2003 Multi-Modal Bonds no longer considered Liquidity Provider Bonds pursuant to the terms of the Liquidity Facility.

**"Liquidity Provider Rate"** means the interest rate(s) applicable from time to time to Liquidity Provider Bonds as determined in accordance with the Liquidity Facility; provided that no Liquidity Provider Rate shall exceed the Maximum Rate.

**"Long-Term Interest Period"** means each period described in Section 2.03(g) during which Series 2003 Multi-Modal Bonds accrue interest at a particular Long-Term Rate.

**"Long-Term Rate"** means the per annum interest rate to be determined on the Series 2003 Multi-Modal Bonds for a term of at least 12 months pursuant to Section 2.03(g).



**"Long-Term Rate Bonds"** means any Series 2003 Multi-Modal Bonds bearing interest at a Long-Term Rate.

**"Long-Term Rate Period"** means the period during which Long-Term Rates are in effect for the Series 2003 Multi-Modal Bonds.

**"Market Agent"** shall have the meaning set forth in the ARCs Provisions.

**"Market Agent Agreement"** shall have the meaning set forth in the ARCs Provisions.

**"Maximum Rate"** means (a) with respect to ARCs, the Maximum Rate determined in accordance with the ARCs Provisions, (b) with respect to Liquidity Provider Bonds, the lesser of (i) the maximum rate permitted by law and (ii) the rate consented to in writing by the Bond Insurer as the Maximum Rate permitted for Liquidity Provider Bonds, and (c) with respect to any Bonds other than ARCs or Liquidity Provider Bonds, the lesser of 12% per annum or the maximum rate utilized to determine the amount available under the Liquidity Facility, if any.

**"Moody's"** means Moody's Investors Services, Inc., and its successors and assigns, or, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, Moody's means any other nationally recognized securities rating service designated by the Commission, with written notice to the Commission and the Trustee with the consent of the Bond Insurer.

**"Non-Eligible Moneys Account"** means the account of that name established in the Debt Service Fund as provided in Section 4.01.

**"Official Statement"** means the Official Statement respecting the Series 2003 Multi-Modal Bonds.

**"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.

**"Ordinary Services"** and **"Ordinary Expenses"** means those services normally rendered and those expenses normally incurred, by a trustee under instruments similar to this Indenture, but not those services (other than a drawing on a Liquidity Facility) rendered and those expenses incurred following the occurrence and during the continuation of an Event of Default under Section 801 of the Original Indenture.

**"Original Purchaser"** means UBS Financial Services Inc., Philadelphia, Pennsylvania, and any other purchasers listed as such in the Purchase Contract.

**"Outstanding"** means, when used with reference to Series 2003 Multi-Modal Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except:

- (1) Series 2003 Multi-Modal Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 2.12;



- (2) Series 2003 Multi-Modal Bonds which are deemed to have been paid in accordance with Article XI; and
- (3) Series 2003 Multi-Modal Bonds in exchange for or in lieu of which other Series 2003 Multi-Modal Bonds have been authenticated and delivered pursuant to Article II.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Series 2003 Multi-Modal Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Series 2003 Multi-Modal Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Commission, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Commission to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

**"Owner"** has the same meaning as the term "Bondowner."

**"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 Manufacturers and Traders Trust Company 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 Second Supplemental Indenture or any Supplemental Indenture as paying agent for the Bonds at which the principal of and redemption premium, if any, and interest on such Bonds shall be payable.

**"Payment Default"** means an Event of Default described in Section 801(a) of the Original Indenture after proper claim having been made on the Bond Insurance Policy.

**"Person"** means any natural person, firm, joint venture, association, partnership, business, trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

**"Policy Costs"** shall have the meaning set forth in Section 4.04(d).

**"Prevailing Market Conditions"** means, to the extent relevant (in the professional judgment of the Remarketing Agent) at the time of establishment of a rate or rates for Bonds as provided in Section 2.03, (a) interest rates on comparable securities then being issued and traded, (b) other financial market rates and indices that may have a bearing on rates of interest; (c) general financial market conditions (including then current forward supply figures) that may have a bearing on rates of interest, and (d) the financial condition, results of operation and credit standing of the Commission, the Liquidity Provider and/or the Bond Insurer to the extent such standing has a bearing on rates of interest.

**"Prime Rate"** means the rate from time to time publicly announced by the Trustee's primary commercial banking affiliate as its "prime rate" or "base rate."

**"Principal Office"** means, with respect to any entity performing functions under any Bond Document, the principal office of that entity or its affiliate at which those functions are performed.

**"Purchase Contract"** means the Purchase Contract among the Commission and the Original Purchaser with respect to the Bonds.

**"Purchase Date"** means each date on which Bonds are subject to optional or mandatory purchase pursuant to Section 3.06 or Section 3.08.

**"Purchase Fund"** means the fund by that name created by Section 3.07(a) and held by the Tender Agent.

**"Purchase Price"** means, with respect to a Bond subject to purchase on a Purchase Date, an amount equal to the principal amount thereof plus (if such Purchase Date is not an Interest Payment Date therefor) accrued and unpaid interest thereon to such Purchase Date.

**"Qualified Financial Institution"** means a bank, trust company, national banking association, insurance company or other financial services company or entity, approved by the Bond Insurer and whose unsecured short-term debt obligations are rated in either of the two highest categories by Fitch, Moody's or S&P.

**"Rating Agency"** shall mean each nationally recognized securities rating agency then maintaining a rating on the Bonds at the request of the Commission, and initially means S&P and Fitch.

**"Rebate Fund"** means the fund by that name created by Section 3.11 of the First Supplemental Indenture.

**"Record Date"** means (i) with respect to each Interest Payment Date for ARCs, the Record Date determined in accordance with the ARCs Provisions, (ii) with respect to each Interest Payment Date for Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, the Business Day immediately preceding that Interest Payment Date, and (iii) with respect to each Interest Payment Date for Fixed Rate Bonds or Long-Term Rate Bonds, the last day of the month immediately preceding such Interest Payment Date.

**"Registered Owner"** shall have the same meaning as the term "Bondowner."

**"Remarketing Agent"** means any firm at the time serving as Remarketing Agent pursuant to Section 3.09.

**"Remarketing Agreement"** means, with respect to Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Long-Term Rate Bonds, any agreement between the Commission and a Remarketing Agent whereby the Remarketing Agent agrees to perform the duties of the Remarketing Agent under this Second Supplemental Indenture with respect to those Series 2003 Multi-Modal Bonds.



**"Replacement Bonds"** means Bonds issued to the beneficial owners of the Bonds in accordance with Section 2.13(b).

**"Responsible Officer"** shall mean the Chairman, any Vice Chairman, the Secretary, any Assistant Secretary, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, or any other officer of the Commission or other person designated by a Certified Resolution of the Commission, a copy of which shall be on file with the Trustee, to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter.

**"S&P"** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, or, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, S&P shall mean any other nationally recognized securities rating service designated by the Commission, with notice to the Trustee.

**"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 Section 2.13(c).

**"Senior Bonds Debt Service Fund"** means the Fund by that name created by Section 503 of the Original Indenture.

**"Short-Term Interest Period"** means each period determined as provided in Section 2.03(f) during which the Series 2003 Multi-Modal Bonds bear interest at a particular Short-Term Rate.

**"Short-Term Rate"** means the per annum interest rate for the Series 2003 Multi-Modal Bonds during a Short-Term Rate Period determined on a periodic basis as provided in Section 2.03(f).

**"Short-Term Rate Bonds"** means any Series 2003 Multi-Modal Bonds bearing interest at a Short-Term Rate.

**"Short-Term Rate Period"** means the period during which Short-Term Rates are in effect for the Series 2003 Multi-Modal Bonds.

**"Special Record Date"** means the date fixed by the Trustee pursuant to Section 2.07(e) for the payment of Defaulted Interest.

**"Substitute Liquidity Facility"** means a substitute Liquidity Facility replacing a Liquidity Facility in accordance with Section 2.06 and acceptable to the Bond Insurer.

**"Substitution Date"** means a date on which a Substitute Liquidity Facility (or the Commission acting as its own Liquidity Facility under Section 3.13(e) herein) is accepted by the Tender Agent and becomes effective with respect to the Bonds, or a date on which an existing

Liquidity Facility assigns all or a portion of its rights and/or obligations to an assignee Liquidity Facility, in each case, in accordance with Section 3.12(d).

**"Supplemental Indenture"** means any indenture supplemental or amendatory to the Original Indenture entered into by the Commission and the Trustee pursuant to Article IX.

**"Tax Agreement"** means the Tax Regulatory 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 Series 2003 Multi-Modal Bonds and the Series 2003 Fixed Rate Bonds, the investment of proceeds of the Series 2003 Multi-Modal Bonds and the Series 2003 Fixed Rate Bonds, and the calculation and payment of rebate amounts under Section 148(f) of the Internal Revenue Code.

**"Tender Agent"** means, initially, the Trustee, and any successor Tender Agent as determined or designated under or pursuant to this Second Supplemental Indenture.

**"Termination Date"** means the date which is no less than seven calendar days (or if such seventh calendar day is not a Business Day, the next Business Day) after the date on which the Trustee receives written notice from the Liquidity Provider which (i) advises the Trustee of the occurrence and continuance of an "event of default" or "event of termination" under and as defined in the Liquidity Facility which permits the liquidity provider to terminate the Liquidity Facility after notice to the Trustee under the terms of the Liquidity Facility, and (ii) directs the Trustee to cause a mandatory tender of the Bonds by reason thereof.

**"Trust Estate"** means the Trust Estate described in the Granting Clauses of the Indenture.

**"Trustee"** means National City Bank of Pennsylvania, a national banking association organized and existing under the laws of the United States of America and its successor 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.

**"Undelivered Bond"** means any Series 2003 Multi-Modal Bond which is subject to purchase pursuant to Section 3.06 or 3.08 on a Purchase Date and which is not tendered and delivered for purchase on that Purchase Date but as to which the Tender Agent holds in the Purchase Fund sufficient funds to pay the Purchase Price of that Series 2003 Multi-Modal Bond.

**"Undelivered Bond Payment Account"** means the account by that name in the Purchase Fund established pursuant to Section 3.07(a).

**"Value,"** as of any particular time of determination, means,

(a) for securities:

(1) the closing bid price quoted by Interactive Data Systems, Inc.; or



- (2) a valuation performed by a nationally recognized and accepted pricing service acceptable to the Bond Insurer whose valuation method consists of the composite average of various bid price quotes on the valuation date; or
- (3) the lower of two dealer bids on the valuation date; the dealers or their parent holding companies must be rated at least investment grade by Moody's and S&P and must be market makers in the securities being valued; or
- (4) a valuation performed by a pricing service acceptable to the Trustee and the Bond Insurer; or
- (5) for any security maturing within 30 days of the valuation date, the maturity value of the security including interest to be paid on the maturity date.

(b) as to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest;

(c) with respect to any investment agreement, the total amount that may be withdrawn therefrom for the purposes of the fund in which it is held; and

(d) as to any investment not specified above, the value thereof established by prior agreement between the Commission, the Trustee and the Bond Insurer.

**"Weekly Interest Period"** means each period described in Section 2.03(e) during which the Series 2003 Multi-Modal Bonds bear interest at a particular Weekly Rate.

**"Weekly Rate"** means the per annum interest rate for the Series 2003 Multi-Modal Bonds during a Weekly Interest Period determined on a weekly basis as provided in Section 2.03(e).

**"Weekly Rate Bonds"** means Series 2003 Multi-Modal Bonds bearing interest at a Weekly Rate.

**"Weekly Rate Period"** means the period during which Weekly Rates are in effect for the Series 2003 Multi-Modal Bonds.

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

**Section 1.02 Rules of Construction.** For all purposes of this Second Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Second Supplemental Indenture:

- (a) The terms defined in this Article include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GAAP to the extent applicable.

(c) The words "herein," "hereof," "hereunder," "hereto" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(d) The Article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

(e) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

(f) References herein to the Bond Insurer shall be subject to Section 12.07 as and to the extent set forth in that Section.

(g) Any references herein to the Tender Agent, the Remarketing Agent and the Liquidity Provider shall be disregarded at any time which the Bonds are not Outstanding as Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Long-Term Rate Bonds.

(h) Any references herein to the Auction Agent, the Market Agent or the Broker-Dealer shall be disregarded at any time which the Bonds are not Outstanding as ARCs.

## ARTICLE II

### THE BONDS

**Section 2.01 Amount of Bonds; Purpose.** No Series 2003 Multi-Modal Bonds may be issued under this Indenture except in accordance with this Article. The Bonds shall be issued and secured under this Indenture for the purposes set forth in the Recitals. The total principal amount of Series 2003 Multi-Modal Bonds that may be issued as provided in Section 2.02 is hereby expressly limited to \$160,000,000.

**Section 2.02 Issuance of the Bonds.** The Bonds are hereby authorized to be issued and secured hereunder as follows:

(a) *Designation, Denominations, Numbering and Dating.* The Series 2003 Multi-Modal Bonds shall be designated "Pennsylvania Turnpike Commission Oil Franchise Tax Multi-Modal Senior Revenue Bonds, Series C of 2003" consisting of four (4) Subseries designated Subseries C-1, Subseries C-2, Subseries C-3 and Subseries C-4. The Series 2003 Multi-Modal Bonds shall be issuable as fully registered Series 2003 Multi-Modal Bonds without coupons in Authorized Denominations and shall be numbered consecutively from 1 upward in the order of their issuance. The Series 2003 Multi-Modal Bonds shall be dated the date of their initial issuance and delivery.



(b) *Principal Amount and Maturity.* The Series 2003 Multi-Modal Bonds shall be issued in an aggregate principal amount of \$160,000,000, consisting of an aggregate principal amount of \$50,000,000 for Subseries C-1, \$50,000,000 for Subseries C-2, \$30,000,000 for Subseries C-3 and \$30,000,000 for Subseries C-4, and shall mature on December 1, 2032 (subject to prior redemption as provided in Article III).

(c) *Interest.* The Series 2003 Multi-Modal Bonds initially shall be ARCs and shall bear interest from their dated date at ARCs Rates determined in accordance with the ARCs Provisions, provided that, if the Series 2003 Multi-Modal Bonds are converted to Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds or Fixed Rate Bonds, the Series 2003 Multi-Modal Bonds shall bear interest from and after that conversion in accordance with Section 2.03.

### **Section 2.03 Determination of Interest Rates.**

#### **(a) General**

(i) The Series 2003 Multi-Modal Bonds shall bear interest at ARCs Rates, Daily Rates, Weekly Rates, Short-Term Rates, Long-Term Rates or Fixed Rates, determined as provided in this Section, from and including their date or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for; provided that in no event will the interest rate on any Bonds exceed the Maximum Rate. Interest on the Series 2003 Multi-Modal Bonds shall be payable in arrears on each Interest Payment Date, commencing on the first Interest Payment Date after the date of original issuance of the Bonds.

(ii) The Series 2003 Multi-Modal Bonds may operate at any time in any one Interest Rate Period, provided that all Series 2003 Multi-Modal Bonds shall operate in the same Interest Rate Period at any given time.

(iii) All Series 2003 Multi-Modal Bonds shall accrue interest in accordance with the ARCs Provisions unless and until the Interest Rate Period for the Series 2003 Multi-Modal Bonds is converted to a different Interest Rate Period pursuant to Section 2.04.

(iv) The amount of interest payable with respect to any Series 2003 Multi-Modal Bonds on any Interest Payment Date shall be computed (1) during an ARCs Rate Period, in accordance with the ARCs Provisions, (2) during a Daily Interest Period, Weekly Interest Period or Short-Term Interest Period, on the basis of a 365- or 366-day year for the number of days actually elapsed, based on the calendar year in which the Daily Interest Period, the Weekly Interest Period or Short-Term Interest Period ends, and (3) during Fixed Rate Periods and Long-Term Rate Periods, on the basis of a 360-day year of twelve 30-day months.

(v) All determinations of interest rates, amounts of interest payable on the Series 2003 Multi-Modal Bonds and rate periods pursuant to this Indenture shall be



conclusive and binding upon the Commission, the Trustee, the Tender Agent, the Paying Agent, the Remarketing Agent, the Bond Insurer, the Liquidity Provider and the Owners of the Series 2003 Multi-Modal Bonds to which such rates are applicable. The Commission, the Trustee, the Tender Agent, the Liquidity Provider, the Bond Insurer and the Remarketing Agent shall not be liable to any Bondowner for failure to give any notice specified in this Section or for the failure of any Bondowner to receive any such notice.

(b) *ARCs.* The interest rates for ARCs shall be determined in accordance with the ARCs Provisions. The Trustee shall notify the Commission of the ARCs Rate and the amount payable on each Interest Payment Date during an ARCs Rate Period in accordance with Section 109 of the ARCs Provisions.

(c) *Determination by Remarketing Agent:*

(i) The interest rate for Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds and Fixed Rate Bonds for each interest period shall be determined by the Remarketing Agent as the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause the Bonds to have a market value as of the date of determination equal to the principal amount thereof, taking into account Prevailing Market Conditions, provided that in no event will the interest rate on any Bonds exceed the Maximum Rate.

(ii) In the event the Remarketing Agent fails for any reason to determine the interest rate for any interest period:

- (A) The interest rate then in effect for Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds will remain in effect for the next interest period and each succeeding interest period thereafter until the Trustee is notified of a new Daily Rate, Weekly Rate or Short-Term Rate, as appropriate, determined by the Remarketing Agent.
- (B) The interest rate then in effect for Long-Term Rate Bonds will be
  - (1) converted to Short-Term Rates equal to 100% of the prime short-term rate (30 days) for the most recent date shown in the table captioned "Short-Term Tax-Exempt Yields" in the edition of *The Bond Buyer* or the dealer short-term rate (30 days) published in the most recent edition of *The Wall Street Journal*, or if *The Bond Buyer* and *The Wall Street Journal* is no longer published, any other published similar rate as is determined by the Trustee in its sole discretion to be appropriate, published on the day on which such rate is determined or, if such rate is not published on that day, the most recent publication of such rate, with Short-Term Interest Periods of 30 days, until the Trustee is notified of a new Short-Term Rate and Short-Term Interest Period determined for such Series 2003 Multi-Modal Bond by the Remarketing Agent but only if the Commission furnishes to the Trustee and the Bond Insurer a



Favorable Opinion of Bond Counsel, or (2) if the opinion described in clause (1) is not furnished, converted to a Long-Term Rate for a Long-Term Interest Period ending on the day prior to the next succeeding September 1 which is more than 366 days later equal to 100% of the Kenny Information Services one-year tax-exempt index as communicated to the Trustee by Kenny Information Services, and if such index is not provided to the Trustee, equal to 70% of the closing yield for one-year Treasury Bills shown in the table captioned "U.S. Securities Prices" in the edition of *The Bond Buyer* (or if *The Bond Buyer* or such table is no longer published, any other published similar rate as is determined by the Trustee in its sole discretion to be appropriate) published on the day on which such rate is determined, or if such rate is not published on that day, the most recent publication of such rate, until the Trustee is notified of a new Long-Term Rate and Long-Term Interest Period.

(iii) Notice of the interest rate for each Daily Rate Bond, Weekly Rate Bond, Short-Term Rate Bond, Long-Term Rate Bond and Fixed Rate Bond shall be communicated by the Remarketing Agent to the Commission, the Trustee, the Liquidity Provider and the Bond Insurer by telecopier or other electronic telecommunication, or by telephone promptly confirmed in writing, (1) in the case of Daily Rate Bonds on the date such interest rate is determined by 11:00 a.m., New York City time, and (2) in the case of Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds or Fixed Rate Bonds, not later than 5:00 p.m., New York City time, on the date such interest rate is determined, and shall be available to Bondowners after such time, from the Remarketing Agent at its Principal Offices and shall also be communicated by the Remarketing Agent to any Bondowner upon request.

(d) *Daily Rates.*

(i) Whenever Series 2003 Multi-Modal Bonds are to bear interest accruing at a Daily Rate, Daily Interest Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day.

(ii) The interest rate for each Daily Interest Period shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(iii) Each such interest rate shall be determined by the Remarketing Agent between 8:30 a.m. and 9:30 a.m., New York City time, on the commencement date of the Daily Interest Period to which it relates.

(e) *Weekly Rates.*

(i) Whenever the Series 2003 Multi-Modal Bonds are to bear interest accruing at a Weekly Rate, Weekly Interest Periods shall commence on Wednesday of



each week and end on Tuesday of the following week; provided, however, that (A) in the case of a conversion to a Weekly Rate Period, the initial Weekly Interest Period for the Series 2003 Multi-Modal Bonds shall commence on the Conversion Date and end on the next succeeding Tuesday and (B) in the case of a conversion from a Weekly Rate to a Daily Rate, the last Weekly Interest Period prior to conversion shall end on the last day immediately preceding the Conversion Date.

(ii) The interest rate for each Weekly Interest Period shall be effective from and including the commencement date of such period and shall remain in effect through and including the last day thereof.

(iii) Each such interest rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Weekly Interest Period to which it relates.

(f) *Short-Term Rates.* Short-Term Rates on, and Short-Term Interest Periods for, Short-Term Rate Bonds shall be determined as follows:

(i) Each Short-Term Interest Period shall be determined by the Remarketing Agent on the first Business Day of that Short-Term Interest Period as that Short-Term Interest Period which will, in the judgment of the Remarketing Agent, produce the greatest likelihood of the lowest net interest cost during the term of the Bonds; provided that each Short-Term Interest Period (A) shall be from 1 to 270 days in length but shall not exceed the number of days of interest coverage provided by the Liquidity Facility minus five days, shall not extend beyond the date that is five days before the Expiration Date of the Liquidity Facility and shall not exceed the remaining number of days prior to the Conversion Date if the Remarketing Agent has given or received notice of any conversion to a different Interest Rate Period, (B) shall commence on a Business Day (except in the case of a conversion to a Short-Term Rate Period, the initial Short-Term Interest Period shall commence on the Conversion Date), shall end on a day preceding a Business Day, and (C) in any event shall end no later than the day preceding the maturity date for the Bonds. The Remarketing Agent may, in the reasonable exercise of its judgment, determine a Short-Term Interest Period that results in a Short-Term Rate on the Bonds that is higher than would be borne by Series 2003 Multi-Modal Bonds with a shorter Short-Term Interest Period in order to increase the likelihood of achieving the lowest net interest cost during the term of the Series 2003 Multi-Modal Bonds by assuring the effectiveness of such Short-Term Rate for a longer Short-Term Interest Period. The determination of a Short-Term Interest Period by the Remarketing Agent shall be based upon the relative market yields of Series 2003 Multi-Modal Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent are otherwise comparable to the Series 2003 Multi-Modal Bonds, or any fact or circumstance relating to the Series 2003 Multi-Modal Bonds or affecting the market for the Series 2003 Multi-Modal Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, will affect the market for the Series 2003 Multi-Modal Bonds. The Remarketing Agent in its discretion, may consider such information



and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Commission, but the Remarketing Agent's determination of the Short-Term Interest Period will be based solely upon the reasonable exercise of the Remarketing Agent's judgment.

(ii) The interest rate for each Short-Term Interest Period shall be effective from and including the commencement date of that interest period and shall remain in effect through and including the last day thereof.

(iii) All Short-Term Rate Bonds shall bear interest accruing at the same Short-Term Rate, and for the same Short-Term Interest Period.

(iv) Each such interest rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Short-Term Interest Period to which it relates.

(g) *Long-Term Rates.* A Long-Term Rate for Long-Term Rate Bonds shall be determined for each Long-Term Interest Period as follows:

(i) Long-Term Interest Periods shall commence on a Conversion Date and subsequently on a December 1 which is at least 12 calendar months after the Conversion Date to a Long-Term Rate Period, and end on the day preceding either the commencement date of the following Long-Term Interest Period or the Conversion Date on which a different Interest Rate Period shall become effective or the maturity date for the Series 2003 Multi-Modal Bonds.

(ii) The Long-Term Rate for each Long-Term Interest Period shall be effective from and including the commencement date thereof and remain in effect to and including the last day thereof. Each such Long-Term Rate shall be determined on the Business Day immediately preceding the commencement date of such period.

(iii) Long-Term Interest Periods (other than a Long-Term Interest Period extending to the maturity date for the Series 2003 Multi-Modal Bonds) shall not extend to a date beyond the fifth day next preceding the Expiration Date of the Liquidity Facility.

(iv) The term of each Long-Term Interest Period shall be specified in writing by the Commission to the Remarketing Agent, the Trustee, the Tender Agent and the Bond Insurer at least 20 days before its commencement; provided that the term may not be more than one year if the term of the immediately preceding Long-Term Interest Period was one year, and the term shall not be one year if the term of the immediately preceding Long-Term Interest Period was more than one year, unless in each case the Commission has provided a Favorable Opinion of Bond Counsel to the Trustee, Commission and the Bond Insurer.

(h) *Fixed Rate.* The Fixed Rate, and the schedule of principal payments for Series 2003 Multi-Modal Bonds bearing interest at the Fixed Rate, shall be determined as set forth in this Subsection (h). Series 2003 Multi-Modal Bonds bearing interest at a Fixed Rate may not be



converted to any other type of Interest Rate Period pursuant to Section 2.04 and will not be covered by any Liquidity Facility.

The Fixed Rate Period shall commence on a Conversion Date and shall extend to the earlier of the date of redemption or the maturity date for the Series 2003 Multi-Modal Bonds. The Fixed Rate shall be set forth in the firm underwriting or purchase contract described in Section 2.04(c)(5).

Upon conversion, the firm of bond underwriters or recognized institutional investors who agree to underwrite or purchase the Series 2003 Multi-Modal Bonds in accordance with Section 2.04(c)(5) shall deliver to the Commission, the Trustee and the Bond Insurer a certificate that includes (a) a schedule specifying the principal amount of Bonds to be called for mandatory sinking fund redemption (or to mature in accordance with subparagraph (3) below) on December 1 of each year, commencing on the first December 1 occurring at least six months after the Fixed Rate Conversion Date, through and including the maturity date for the Series 2003 Multi-Modal Bonds, and (b) a schedule specifying the interest on the Series 2003 Multi-Modal Bonds to be paid on each Interest Payment Date, through and including the maturity date for the Series 2003 Multi-Modal Bonds. In determining the amount of interest and principal that shall be payable on such dates, such firm of bond underwriters or institutional investors shall use the following guidelines:

(i) The interest rate on each Series 2003 Multi-Modal Bond then being converted shall be the lowest interest rate that will enable such Series 2003 Multi-Modal Bond upon conversion to be remarketed at par, assuming that all Series 2003 Multi-Modal Bonds then being converted will be subject to mandatory sinking fund redemption on December 1 of each year (commencing on the first December 1 occurring at least six months after the Conversion Date) through and including the maturity date for the Series 2003 Multi-Modal Bonds, all Series 2003 Multi-Modal Bonds shall pay interest semiannually on each Interest Payment Date, all Series 2003 Multi-Modal Bonds shall bear interest at the same rate (except as otherwise provided in subparagraph (iii) below), and all Series 2003 Multi-Modal Bonds shall only be remarketed at par; and

(ii) If the prior written consent of the Bond Insurer has been obtained, the schedule of principal payments shall be set to achieve annual level debt service (including both principal and interest), as nearly as practicable taking into account the minimum Authorized Denominations of the Series 2003 Multi-Modal Bonds, for all remaining periods ending each year on December 1 (commencing on the first December 1 occurring at least six months after the Conversion Date) through and including the maturity date for Series 2003 Multi-Modal Bonds and, subject to subparagraph (iii) below, the Series 2003 Multi-Modal Bonds shall be subject to mandatory sinking fund redemption in accordance with that schedule. If the prior written consent of the Bond Insurer is not received, all Series 2003 Multi-Modal Bonds shall be subject to mandatory sinking fund redemption (or serial maturities pursuant to subparagraph (iii) below) in accordance with the applicable schedule set forth in Section 3.02(c).



(iii) The foregoing subparagraphs (i) and (ii) notwithstanding, upon provision of a Favorable Opinion of Bond Counsel, Bonds that would otherwise be scheduled to be redeemed pursuant to mandatory sinking fund redemption provisions may be scheduled to mature on the same dates and the Remarketing Agent may establish more than one Fixed Rate to apply to the Series 2003 Multi-Modal Bonds being converted to Fixed Rate Bonds, in accordance with this Section, taking into account the scheduled mandatory redemption dates or serial maturity dates to be assigned to the Series 2003 Multi-Modal Bonds.

(iv) If the designation referred to in subparagraph (i) above cannot be made or the Favorable Opinion of Bond Counsel described in subparagraph (iii) above has not been delivered to the Trustee and the Bond Insurer by the Commission, then no conversion shall be effected.

(i) *Default Rate.* While there exists a Payment Default, the interest rate on the Series 2003 Multi-Modal Bonds will be the Maximum Rate; except as otherwise provided in the ARCs Provisions for ARCs.

(j) *Liquidity Provider Bonds.* Notwithstanding the above provisions of this Section, Liquidity Provider Bonds shall bear interest at the lesser of the Liquidity Provider Rate or the Maximum Rate. The Liquidity Provider Rate shall be supplied in writing to the Trustee by the Liquidity Provider. If the Remarketing Agent has notified the Owner of any Liquidity Provider Bonds that it has located a purchaser for some or all of that Owner's Liquidity Provider Bonds, that Owner must deliver those Liquidity Provider Bonds to the Tender Agent for purchase. Upon such delivery and receipt of the Purchase Price by that Owner, the Tender Agent shall notify the Trustee that the Series 2003 Multi-Modal Bonds so purchased are no longer "Liquidity Provider Bonds" and the Trustee shall note on the registration books for the Series 2003 Multi-Modal Bonds that those Bonds are not Liquidity Provider Bonds. Notwithstanding anything herein to the contrary, only the Liquidity Provider or any Liquidity Provider Bondowner may receive interest on any Series 2003 Multi-Modal Bonds at the Liquidity Provider Rate.

**Section 2.04 Conversions Between Rate Periods.** The Commission may elect to convert all of the Series 2003 Multi-Modal Bonds from one type of Interest Rate Period (other than from a Fixed Rate Period) to another type of Interest Rate Period as follows:

(a) *Notices by Commission.* The Commission shall give written notice of any proposed conversion to the Trustee not fewer than seven Business Days (fourteen Business Days in the case of a proposed conversion to a Short-Term Rate Period) prior to the date the notice to affected Owners must be given pursuant to Section 2.04(b) of the proposed conversion.

(b) *Notices by Trustee.* Upon receipt of the notice specified in Section 2.04(a) from the Commission, the Trustee shall promptly give written notice of the proposed conversion to the Tender Agent, the Remarketing Agent, the Bond Insurer, the Auction Agent, the Broker-Dealer, the Liquidity Provider and any rating service that has notified the Trustee in writing that it has established a rating for the Series 2003 Multi-Modal Bonds. The Trustee shall give notice (which may be combined, where applicable, with any notice required by Section 3.08), by first



class mail of the proposed conversion to the affected Owners of Series 2003 Multi-Modal Bonds not less than 10 days before the proposed Conversion Date. Such notice shall state:

- (i) the proposed Conversion Date and the proposed Interest Rate Period to be effective on such date;
- (ii) that the Series 2003 Multi-Modal Bonds will be subject to mandatory tender for purchase on the Conversion Date;
- (iii) the conditions, if any, to the conversion pursuant to Subsection (c), and the consequences of such conditions not being fulfilled pursuant to Subsection (d);
- (iv) if the Series 2003 Multi-Modal Bonds are in certificated form, information with respect to required delivery of Series 2003 Multi-Modal Bond certificates and payment of the Purchase Price; and
- (v) the new Interest Payment Dates and Record Dates.

(c) *Conditions to Conversion.* No conversion of Interest Rate Periods will become effective unless:

- (i) If the conversion is from a Short-Term Rate Period, the Trustee has received, prior to the date on which notice of conversion is required to be given to Owners, written consent of the Bond Insurer and written confirmation from the Remarketing Agent that it has not established and will not establish any Short-Term Interest Periods extending beyond the day before the Conversion Date; and
- (ii) If the conversion is either (A) from an Auction Period of one year or less, a Short-Term Rate Period, Weekly Rate Period or a Daily Rate Period to an Auction Period of more than one year, a Long-Term Rate Period or a Fixed Rate Period, or (B) from an Auction Period of more than one year, or a Long-Term Rate Period to an Auction Period of one year or less, a Short-Term Rate Period, a Weekly Rate Period or a Daily Rate Period, the Trustee, the Bond Insurer and the Commission have been provided, no later than one day before the Conversion Date, with a Favorable Opinion of Bond Counsel, which opinion shall be confirmed in writing on the Conversion Date and the prior written consent of the Bond Insurer shall have been obtained other than for a conversion from Daily Rate to Weekly Rate or from Weekly Rate to Daily Rate; and
- (iii) If the conversion is to a Daily Rate Period, a Weekly Rate Period, a Short-Term Rate Period or a Long-Term Rate Period and the prior written consent of the Bond Insurer shall have been obtained other than for a conversion from Daily Rate to Weekly Rate or from Weekly Rate to Daily Rate, (A) the Commission shall have appointed (1) UBS Financial Services Inc. or another underwriting firm acceptable to the Bond Insurer, to act as the Remarketing Agent for the Series 2003 Multi-Modal Bonds in accordance with Section 3.09 and (2) a Qualified Financial Institution or, with the prior written consent of the Bond Insurer, the Commission to act as Liquidity Provider in accordance with Section 3.07 and in accordance with Section 3.13.(e); (B) the



Commission shall have furnished to the Trustee and the Bond Insurer (1) an executed Remarketing Agreement whereby the Remarketing Agent agrees to perform the duties of the Remarketing Agent under this Indenture, (2) a Liquidity Facility in form and substance reasonably satisfactory to the Remarketing Agent and the Bond Insurer, in an amount equal to the aggregate principal amount of all Outstanding Series 2003 Multi-Modal Bonds, plus an amount equal to at least 34 days interest (183 days interest if the conversion is to Long-Term Rate Bonds or, if the conversion is to Short-Term Rate Bonds, the maximum number of days of a Short-Term Interest Period, as provided in Section 2.03(f)(i)), plus five days, on all Series 2003 Multi-Modal Bonds at the Maximum Rate for the Series 2003 Multi-Modal Bonds other than Liquidity Provider Bonds, under which the Liquidity Provider is required to purchase Series 2003 Multi-Modal Bonds tendered for purchase in accordance with this Indenture, together with an Opinion of Counsel, to the effect that the Liquidity Facility has been duly authorized, executed and delivered by the Liquidity Provider, is a valid and binding and enforceable obligation of the Liquidity Provider (subject as to enforcement to customary exceptions regarding bankruptcy, insolvency and similar laws and principles of equity), and that the Liquidity Facility will not require any Series 2003 Multi-Modal Bonds (or any securities evidenced thereby) to be registered under the Securities Act of 1933, as amended, or this Indenture to be qualified under the Trust Indenture Act of 1939, as amended; and

(iv) If the conversion is to an ARCs Rate Period, (1) the Commission shall have obtained the prior written consent of the Bond Insurer and appointed an Auction Agent, Broker-Dealer and Market Agent and (2) the Commission shall have furnished to the Trustee and the Bond Insurer an Auction Agency Agreement, a Broker-Dealer Agreement and a Market Agent Agreement in substantially the forms initially executed in connection with the issuance of the Series 2003 Multi-Modal Bonds; and

(v) If the conversion is to a Fixed Rate Period, the Commission shall notify in writing the Trustee of its irrevocable election to effect such a conversion, specifying in the notice the Conversion Date on which the Fixed Rate Period is to commence, and delivering with such notice a firm underwriting or purchase contract from a recognized firm of bond underwriters or recognized institutional investors, which can be the Remarketing Agent, to underwrite or purchase all of the Bonds at a price of 100% of the principal amount thereof at an agreed upon interest rate which such underwriter or institutional investor certifies is the lowest rate that will permit the Series 2003 Multi-Modal Bonds to be sold at par on the first day of the Fixed Rate Period and containing a mandatory sinking fund redemption schedule prepared in accordance with Section 2.03(h). Upon receipt by the Trustee of such notice from the Commission, the Trustee shall promptly cause the same information contained in such notice to be delivered to the Tender Agent, the Remarketing Agent, the Bond Insurer, the Liquidity Provider and any rating service that has notified the Trustee in writing that it has established a rating for the Series 2003 Multi-Modal Bonds; and

(vi) The conversion shall not occur unless the Conversion Date is a date on which the Series 2003 Multi-Modal Bonds being converted could be redeemed without premium pursuant to Section 3.02(a); and



(vii) If the conversion is a Short-Term Rate Period, (A) the Commission shall have obtained the prior written consent of the Bond Insurer, must engage, at its expense, a commercial paper trustee and the paying agent (the "Issuing Agent"), reasonably acceptable to the Trustee, the Bond Insurer and the Paying Agent, having access to the Securities Depository's electronic money market issuing and payment system and otherwise eligible to serve as an issuing and paying agent under the Securities Depository's policies and procedures for the issuance and payment of commercial paper; and (B) the Remarketing Agent must arrange for the execution and delivery to the Securities Depository of its required letter of representation for the eligibility of the Series 2003 Multi-Modal Bonds in the Short-Term Rate Period in the Securities Depository's book entry system and the provision of any needed CUSIP numbers; and (C) the Commission shall take all other action needed to comply with the Securities Depository's requirements applicable to the issuance and payment of the Bonds while in the Short-Term Rate Period; and (D) the Commission shall enter into any amendment of this Second Supplemental Indenture that is needed to comply with the Securities Depository's or any rating agency's requirements concerning the issuance and payment of the Series 2003 Multi-Modal Bonds in the Short-Term Rate Period.

(d) *Failure of Conditions to Conversion.* In the event any condition precedent to a conversion is not fulfilled, (i) the Conversion Date shall not occur, (ii) the mandatory tender pursuant to Section 3.08(a)(i) shall not occur, (iii) any affected ARCs Rate Bond shall continue to be an ARCs Rate Bond and shall continue to be payable at the applicable ARCs Rate for the balance of the ARCs Interest Period then applicable thereto (without regard to the attempted conversion) and shall bear interest for the next succeeding ARCs Interest Period at the Auction Rate for 7 day Auction Period determined in accordance with the ARC Provisions and (iv) any other affected Series 2003 Multi-Modal Bond shall continue in the then existing Interest Rate Period with the length of the interest period and the interest rate being determined in accordance with Section 2.03; provided however, if payment has failed due to the default under the Bond Insurance Policy the Auction Rate shall be the Maximum Rate. Notice of withdrawal of a conversion notice shall be given by the Commission, the Trustee, the Remarketing Agent, the Tender Agent, the Bond Insurer, the Liquidity Provider and the Auction Agent (in the case of conversion of ARCs) by telephone, promptly confirmed in writing, and shall thereafter be promptly given to the Bondowners by the Trustee by first-class mail. No failure or cancellation of conversion pursuant to this Subsection (d) shall constitute an Event of Default.

## **Section 2.05 Conditions To Delivery of Series 2003 Multi-Modal Bonds.**

(a) The Series 2003 Multi-Modal Bonds shall be executed substantially in the form and manner set forth in Section 2.06 and furnished to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Series 2003 Multi-Modal Bonds by the Trustee there shall be filed or deposited with the Trustee the following:

(i) A copy, certified as true and correct by the Secretary or Assistant Secretary of the Commission, of the Resolution adopted by the Commission authorizing the issuance of the Bonds and the execution of this Indenture and any other Bond Documents to which it is a party.



(ii) An original executed counterpart of this Indenture and each of the other Bond Documents.

(iii) The original executed Bond Insurance Policy.

(iv) A request and authorization to the Trustee on behalf of the Commission, executed by the Chief Executive Officer or Chief Financial Officer of the Commission, to authenticate the Series 2003 Multi-Modal Bonds and deliver the Series 2003 Multi-Modal Bonds to the purchasers therein identified upon payment to the Trustee, for the account of the Commission, of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the names of the purchasers and the amount of such purchase price.

(v) An opinion of bond counsel, dated the Closing Date, in substantially the form attached as an exhibit to the Purchase Contract.

(vi) Such other certificates, statements, receipts, opinions and documents as the Trustee shall reasonably require for the delivery of the Series 2003 Multi-Modal Bonds.

(b) When the documents specified in subsection (a) shall have been filed with the Trustee, and when the Series 2003 Multi-Modal Bonds shall have been executed and authenticated as required by this Second Supplemental Indenture, the Trustee shall deliver the Series 2003 Multi-Modal Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the purchase price of the Series 2003 Multi-Modal Bonds as specified in the request and authorization by the Commission, the proceeds of the sale of the Series 2003 Multi-Modal Bonds shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in Article IV.

#### **Section 2.06 Forms and Denominations of Series 2003 Multi-Modal Bonds.**

(a) The Series 2003 Multi-Modal Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the forms set forth in Exhibit A, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Second Supplemental Indenture or any Supplemental Indenture. The Series 2003 Multi-Modal Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental Commission or any custom, usage or requirement of law with respect thereto.

(b) The Series 2003 Multi-Modal Bonds shall be issuable in the form of fully registered Bonds without coupons in Authorized Denominations.

#### **Section 2.07 Method and Place of Payment of Series 2003 Multi-Modal Bonds.**

(a) The principal of and redemption premium, if any, and interest on the Series 2003 Multi-Modal 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.

(b) The principal of and the redemption premium, if any, on all Series 2003 Multi-Modal Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Series 2003 Multi-Modal Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Series 2003 Multi-Modal Bonds at the Principal Office of the Trustee or of any Paying Agent named in the Bonds.

(c) The interest payable on each Series 2003 Multi-Modal Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such 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 Series 2003 Multi-Modal Bonds are held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of Series 2003 Multi-Modal Bonds in the aggregate principal amount of at least \$1,000,000, 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. Interest on Short-Term Rate Bonds shall be paid only upon presentation and surrender of those Bonds. Interest on any Liquidity Provider Bond that ceases to be a Liquidity Provider Bond during an interest period shall be paid to the Person who is the Owner at the close of business on the Regular Record Date at the rate borne by Bonds other than Liquidity Provider Bonds.

(d) Defaulted Interest with respect to any Series 2003 Multi-Modal Bond shall cease to be payable to the Owner of such Series 2003 Multi-Modal Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond 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 Series 2003 Multi-Modal Bond 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 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 Series 2003 Multi-Modal Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt 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 Series 2003 Multi-Modal Bond 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 2.08 Execution and Authentication of Series 2003 Multi-Modal Bonds.**

(a) The Series 2003 Multi-Modal Bonds shall be executed on behalf of the Commission by the manual or facsimile signature of the Governor of the Commonwealth of Pennsylvania and the Chairman of the Commission and attested by the manual or facsimile signature of the Secretary and Treasurer of the Commission, and shall have the corporate seal of the Commission affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Series 2003 Multi-Modal Bonds shall cease to be such officer before the delivery of such Series 2003 Multi-Modal Bonds, 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 Series 2003 Multi-Modal Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Series 2003 Multi-Modal Bond although at the date of such Series 2003 Multi-Modal Bond such persons may not have been such officers.

(b) The Series 2003 Multi-Modal Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A hereto, which shall be manually executed by the Trustee. No Series 2003 Multi-Modal Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Series 2003 Multi-Modal Bond shall be conclusive evidence that such Series 2003 Multi-Modal Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Series 2003 Multi-Modal 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 Series 2003 Multi-Modal Bonds that may be issued hereunder at any one time.

#### **Section 2.09 Registration, Transfer and Exchange of Series 2003 Multi-Modal Bonds.**

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

(b) Any Series 2003 Multi-Modal 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 Series 2003 Multi-Modal Bond a new Series 2003 Multi-Modal Bond or Series 2003 Multi-Modal Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Indenture and of the same maturity and bearing interest at the same rate.



(c) Any Series 2003 Multi-Modal 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 Series 2003 Multi-Modal Bonds of the same maturity, of any denomination or denominations authorized by this Indenture, and bearing interest at the same rate.

(d) In all cases in which Series 2003 Multi-Modal Bonds shall be exchanged or transferred hereunder, the Commission shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Indenture. All Series 2003 Multi-Modal 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 Series 2003 Multi-Modal 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 Series 2003 Multi-Modal 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 Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondowner hereunder or under the Series 2003 Multi-Modal Bonds.

(f) The Trustee shall not be required to (i) transfer or exchange any Series 2003 Multi-Modal Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of such Series 2003 Multi-Modal Bond and ending at the close of business on the day of such mailing, or (ii) transfer or exchange any Series 2003 Multi-Modal Bond so selected for redemption in whole or in part, or during a period beginning at the opening of business on any Record Date for such Series 2003 Multi-Modal Bond and ending at the close of business on the relevant Interest Payment Date therefor.

(g) The Person in whose name any Series 2003 Multi-Modal Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner of such Series 2003 Multi-Modal Bond for all purposes, and payment of or on account of the principal or Purchase Price of and redemption premium, if any, and interest on any such Series 2003 Multi-Modal 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 Series 2003 Multi-Modal Bond, including the interest thereon, to the extent of the sum or sums so paid.

(h) At reasonable times upon prior Written Request and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Commission or by the Owners (or a designated representative thereof) of 10% or more in principal amount of



Series 2003 Multi-Modal Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

#### **Section 2.10 Temporary Series 2003 Multi-Modal Bonds.**

(a) Until definitive Series 2003 Multi-Modal 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 Series 2003 Multi-Modal Bonds, but subject to the same limitations and conditions as definitive Series 2003 Multi-Modal Bonds, temporary printed, engraved, lithographed or typewritten Series 2003 Multi-Modal Bonds.

(b) If temporary Series 2003 Multi-Modal Bonds shall be issued, the Commission shall cause the definitive Series 2003 Multi-Modal 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 Series 2003 Multi-Modal Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Series 2003 Multi-Modal Bond of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the temporary Series 2003 Multi-Modal Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Series 2003 Multi-Modal Bonds to be issued and authenticated hereunder.

#### **Section 2.11 Mutilated, Lost, Stolen or Destroyed Series 2003 Multi-Modal Bonds.**

In the event any Series 2003 Multi-Modal Bond shall become mutilated, or be lost, stolen or destroyed, the Commission shall execute and the Trustee shall authenticate and deliver a new Series 2003 Multi-Modal Bond of like date and tenor as the Series 2003 Multi-Modal Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2003 Multi-Modal Bond, such mutilated Series 2003 Multi-Modal Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Series 2003 Multi-Modal 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 Series 2003 Multi-Modal Bond shall have matured or been selected for redemption, instead of issuing a substitute Series 2003 Multi-Modal Bond the Trustee in its discretion may, instead of issuing a new Series 2003 Multi-Modal Bond, pay, with funds available under this Indenture for such purpose, such Bond without surrender thereof (except in the case of a mutilated Series 2003 Multi-Modal Bond). Upon the issuance of any substitute Series 2003 Multi-Modal 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 2.12 Cancellation and Destruction of Bonds Upon Payment.** All Series 2003 Multi-Modal Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, 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 Series 2003 Multi-Modal Bonds and the surrender thereof to the Trustee. The Trustee shall execute a certificate in triplicate describing the Series 2003 Multi-Modal Bonds so canceled and destroyed, and shall file executed counterparts of such certificate with the Commission.

### **Section 2.13 Book-Entry; Securities Depository.**

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Series 2003 Multi-Modal Bonds, except in the event the Trustee issues Replacement Bonds as provided in Subsection (b). It is anticipated that during the term of the Series 2003 Multi-Modal Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal and Purchase Price of, premium, if any, and interest on, the Series 2003 Multi-Modal Bonds to the Participants until and unless the Trustee authenticates and delivers Replacement Series 2003 Multi-Modal Bonds to the beneficial owners as described in Subsection (b).

(b) (i) If the Commission determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system to the exclusion of any Series 2003 Multi-Modal Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, or (ii) if the Trustee receives written notice from Participants having interests in not less than 50% of the Series 2003 Multi-Modal Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect to the Trustee by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Series 2003 Multi-Modal Bonds, then the Trustee, based on information provided to it by the Securities Depository, shall notify the beneficial owners of the Series 2003 Multi-Modal Bonds and the Bond Insurer of such determination or such notice and of the availability of certificates to beneficial owners of the Series 2003 Multi-Modal Bonds requesting the same, and the Trustee shall register in the name of and authenticate and deliver Series 2003 Multi-Modal Bonds (the "Replacement Bonds") to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (i)(A) or (i)(B) of this Subsection (b), the Commission, with the consent of the Trustee, may select a successor Securities Depository in accordance with Subsection (c) to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository or its nominee is the Registered Owner of at least one Series 2003 Multi-Modal Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Trustee or the Commission are unable to locate a qualified successor of the Securities Depository in accordance with Subsection (c) below, then the Trustee shall authenticate and cause delivery of Replacement



Bonds to the Commission, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names, addresses, taxpayer identification numbers of and principal amount held by the beneficial owners of the Series 2003 Multi-Modal Bonds. The cost of printing Replacement Bonds shall be paid for by the Commission.

(c) In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Commission may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Series 2003 Multi-Modal Bond or Series 2003 Multi-Modal Bonds for cancellation shall cause the delivery of Series 2003 Multi-Modal Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

### ARTICLE III

#### REDEMPTION AND TENDER OF SERIES 2003 MULTI-MODAL BONDS

**Section 3.01 Redemption of Series 2003 Multi-Modal Bonds Generally.** The Series 2003 Multi-Modal Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions set forth in this Article.

#### **Section 3.02 Redemption of Series 2003 Multi-Modal Bonds.**

(a) *Optional Redemption.* The Series 2003 Multi-Modal Bonds are subject to optional redemption as follows:

(i) ARCs, Daily Rate Bonds and Weekly Rate Bonds are subject to redemption and payment prior to maturity, at the option of the Commission upon written direction from the Commission, in whole or in part on any date at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(ii) Short-Term Rate Bonds are subject to redemption and payment prior to maturity, at the option of the Commission in whole or in part on any Interest Payment Date at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(iii) Long-Term Rate Bonds are subject to redemption in whole or in part, on the day after the end of each Long-Term Interest Period, at the option of the Commission, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

(iv) Long-Term Rate Bonds and Fixed Rate Bonds are subject to redemption and payment prior to maturity, at the option of the Commission, on and after the no-call

period shown below, in whole or in part at any time at the respective redemption prices set out below, plus accrued interest thereon to the redemption date (unless an alternate optional redemption schedule is determined pursuant to this subparagraph (iv)):

<b><u>Fixed Rate Period or Long-Term Interest Period</u></b>	<b><u>No-Call Period</u></b>	<b><u>Premium</u></b>
Equal to or greater than 13 years	8 years	2% in first year, 1% in second year and 0% thereafter
Equal to or greater than 10 years but less than 13 years	5 years	2% in first year, 1% in second year and 0% thereafter
Equal to or greater than 7 years but less than 10 years	3 years	1.5% in first year, 0.5% in second year and 0% thereafter
Equal to or greater than 4 years but less than 7 years	3 years	1% in first year, 0% thereafter
Equal to or greater than 2 years but less than 4 years	1 year	0.5% in the first year, 0% thereafter
greater than 1 year but less than 2 years	1 year	0% at all times
One year	non-callable	--

Notwithstanding the foregoing, if before the first day of a Long-Term Interest Period or Fixed Rate Period an alternate optional redemption schedule is delivered by the Commission to the Trustee setting forth redemption dates and redemption prices during that Fixed Rate Period or Long-Term Interest Period together with a certificate of the Remarketing Agent certifying that the redemption terms set forth therein are advantageous for the Remarketing Agent to remarket those Bonds for that period and a Favorable Opinion of Bond Counsel, then the Bonds shall be subject to redemption during that period in accordance with that optional redemption schedule rather than the schedule set forth above.

(v) Under this Second Supplemental Indenture, no Bonds may be called for purchase by the Commission in lieu of optional redemption without the express written consent of the Bond Insurer.

(b) [RESERVED]

(c) *Scheduled Mandatory Redemption of Term Series 2003 Multi-Modal Bonds.* The Series 2003 Multi-Modal Bonds are subject to scheduled mandatory redemption by the Commission on December 1 (or, if the Series 2003 Multi-Modal Bonds are ARCs, Daily Rate Bonds or Weekly Rate Bonds and that date is not an Interest Payment Date, on the Interest Payment Date immediately preceding that date) in the years set forth below in the amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium (subject to any adjustment in connection with a conversion of their interest rate to a Fixed Rate in accordance with Sections 2.03 and 2.04):



Year	Subseries C-1	Subseries C-2	Subseries C-3	Subseries C-4
2024	\$1,650,000	\$1,650,000	\$1,000,000	\$1,000,000
2025	\$5,200,000	\$5,200,000	\$3,125,000	\$3,100,000
2026	\$5,425,000	\$5,425,000	\$5,425,000	\$5,425,000
2027	\$5,650,000	\$5,650,000	\$3,400,000	\$3,375,000
2028	\$5,900,000	\$5,900,000	\$3,525,000	\$3,525,000
2029	\$6,150,000	\$6,150,000	\$3,675,000	\$3,675,000
2030	\$6,400,000	\$6,400,000	\$3,850,000	\$3,850,000
2031	\$6,675,000	\$6,675,000	\$4,000,000	\$4,025,000
2032*	\$6,950,000	\$6,950,000	\$4,175,000	\$4,200,000
*Maturity				

(d) *Credits against Scheduled Mandatory Redemption Obligations.* At the option of the Commission, to be exercised by delivery of a Certificate of Commission Representative to the Trustee on or before the 45th day next preceding any scheduled mandatory redemption date, it may (1) deliver to the Trustee for cancellation Series 2003 Multi-Modal Bonds subject to scheduled mandatory redemption on that date or portions thereof in Authorized Denominations or (2) specify a principal amount of Series 2003 Multi-Modal Bonds or portions thereof in Authorized Denominations which prior to said date have been purchased or redeemed (otherwise than pursuant to this Section) and canceled by the Trustee at the request of the Commission and not theretofore applied as a credit against any scheduled mandatory redemption payment. Each Series 2003 Multi-Modal Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at the principal amount thereof against the obligation of the Commission to redeem Series 2003 Multi-Modal Bonds on the scheduled mandatory redemption date or dates designated in writing to the Trustee by the Commission Representative occurring at least 45 days after delivery of such designation to the Trustee, provided that if no such designation is made, such credit shall not be credited against such obligation.

### **Section 3.03 Selection of Series 2003 Multi-Modal Bonds to be Redeemed.**

(a) Series 2003 Multi-Modal Bonds shall be redeemed only in Authorized Denominations. If less than all Series 2003 Multi-Modal Bonds are to be redeemed and paid prior to maturity, such Series 2003 Multi-Modal Bonds shall be selected by the Trustee by such method as the Trustee shall deem fair and appropriate; provided that Liquidity Provider Bonds and Commission Bonds, in that order, shall be redeemed before other Series 2003 Multi-Modal Bonds are redeemed.



(b) In the case of a partial redemption of Series 2003 Multi-Modal Bonds when Series 2003 Multi-Modal Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate Series 2003 Multi-Modal Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any Series 2003 Multi-Modal Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such Series 2003 Multi-Modal Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Series 2003 Multi-Modal Bond to the Trustee (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (2) for exchange, without charge to the Owner thereof for a new Series 2003 Multi-Modal Bond or Series 2003 Multi-Modal Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Series 2003 Multi-Modal Bond shall fail to present such Series 2003 Multi-Modal Bond to the Trustee for payment and exchange as aforesaid, said Series 2003 Multi-Modal Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Trustee shall call Series 2003 Multi-Modal Bonds for redemption and payment as herein provided upon receipt by the Trustee at least 45 days prior to the redemption date of a Written Request of the Commission. Such request shall specify the principal amount of Series 2003 Multi-Modal Bonds and their maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Series 2003 Multi-Modal Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Series 2003 Multi-Modal Bonds pursuant to Section 3.02(c), and Series 2003 Multi-Modal Bonds, subject to the exercise by the Commission of its rights under Section 3.02(c), shall be called by the Trustee for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Commission and whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

**Section 3.04 Notice and Effect of Call for Redemption.** Official notice of any such redemption shall be given by the Trustee on behalf of the Commission by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the redemption date to each Registered Owner of the Series 2003 Multi-Modal Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee.

All official notices of redemption shall be dated and shall state:

- (i) the redemption date;
- (ii) the redemption price;



(iii) if less than all Outstanding Series 2003 Multi-Modal Bonds are to be redeemed, the identification number and the respective principal amounts of the Series 2003 Multi-Modal Bonds to be redeemed;

(iv) that on the redemption date the redemption price will become due and payable upon each such Series 2003 Multi-Modal Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(v) the place where such Series 2003 Multi-Modal Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of Series 2003 Multi-Modal bonds.

Any notice of redemption of any Series 2003 Multi-Modal Bonds pursuant to Section 3.02(a) or (b) may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Series 2003 Multi-Modal Bonds or portions of Series 2003 Multi-Modal Bonds which are to be redeemed on that date and, if a Liquidity Facility is in effect, shall specify that the redemption is contingent upon the deposit of Eligible Moneys with the Trustee in an amount sufficient to pay the redemption price on the redemption date.

Official notice of redemption having been given as aforesaid, the Series 2003 Multi-Modal Bonds or portions of Series 2003 Multi-Modal Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Commission shall default in the payment of the redemption price) such Series 2003 Multi-Modal Bonds or portions of Series 2003 Multi-Modal Bonds shall cease to bear interest. Upon surrender of such Series 2003 Multi-Modal Bonds for redemption in accordance with said notice, such Series 2003 Multi-Modal Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2003 Multi-Modal Bond, there shall be prepared for the Registered Owner a new Series 2003 Multi-Modal Bond or Series 2003 Multi-Modal Bonds of the same maturity in the amount of the unpaid principal. All Series 2003 Multi-Modal Bonds which have been redeemed shall be canceled and destroyed by the Trustee in accordance with Section 2.12 and shall not be reissued. A second notice of redemption shall be given within 60 days after the redemption date in the manner required herein to the Bondowners of redeemed Bonds which have not been presented for payment within 30 days after the redemption date.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Commission as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed:

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Series 2003 Multi-Modal Bonds being redeemed (provided that the notice may contain the Trustee's standard disclaimer as to the correctness and use of the CUSIP



numbers); (ii) the date of issue of the Series 2003 Multi-Modal Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Series 2003 Multi-Modal Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Series 2003 Multi-Modal Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least 30 days before the redemption date by registered or certified mail, overnight delivery service or facsimile to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2003 Multi-Modal Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Series 2003 Multi-Modal Bonds.

Upon the payment of the redemption price of Series 2003 Multi-Modal Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 2003 Multi-Modal Bonds being redeemed with the proceeds of such check or other transfer.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Trustee, a Participant or otherwise) to notify the beneficial owner of the Series 2003 Multi-Modal Bond so affected, shall not affect the validity of the redemption of such Bond.

Failure to give any notice to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Series 2003 Multi-Modal Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

**Section 3.05 Tender Agent.** There shall be a Tender Agent appointed by the Commission for the Series 2003 Multi-Modal Bonds as provided in this Section at all times that any Bonds are Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Long-Term Rate Bonds. The Tender Agent shall be a commercial bank, national association or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state Commission, and authorized to perform all of the duties imposed upon it by this Indenture, and having a combined capital and surplus of at least \$75,000,000. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining Commission, then for the purposes of this Section, the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.



The initial Tender Agent is National City Bank of Pennsylvania. The Tender Agent shall perform the duties imposed upon the Tender Agent by this Indenture, but only upon the terms and conditions set forth herein, including the following:

(a) hold all Series 2003 Multi-Modal Bonds delivered to it hereunder in trust for the benefit of the respective Owners which shall have so delivered such Series 2003 Multi-Modal Bonds until moneys representing the Purchase Price of such Series 2003 Multi-Modal Bonds shall have been delivered to or for the account of or to the order of such Owners;

(b) hold all moneys delivered to it hereunder for the purchase of Series 2003 Multi-Modal Bonds in trust solely for the benefit of the Person which shall have so delivered such moneys until the Series 2003 Multi-Modal Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(c) hold all moneys, other than proceeds of payments under the Liquidity Facility, delivered to it hereunder for the purchase of Series 2003 Multi-Modal Bonds as agent of, and in escrow for the exclusive benefit of, the Person which shall have so delivered such moneys until the Series 2003 Multi-Modal Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(d) hold all moneys delivered to it hereunder from payments under the Liquidity Facility for the purchase of Series 2003 Multi-Modal Bonds as agent of, and in escrow for the exclusive benefit of, the Bondowners who shall deliver Series 2003 Multi-Modal Bonds to it for purchase until the Bonds purchased with such moneys shall have been delivered to or for the account of the Liquidity Provider;

(e) keep such books and records as shall be consistent with customary corporate trust industry practice that shall accurately reflect the transactions hereunder and to make such books and records available for inspection by the Commission, the Trustee, the Remarketing Agent, the Series 2003 Multi-Modal Bond Insurer and the Liquidity Provider during normal business hours upon reasonable prior written notice;

(f) hold all Liquidity Provider Bonds delivered to it hereunder as agent of, and in escrow for the benefit of, the Liquidity Provider;

(g) deliver any notices required by this Indenture to be delivered by the Tender Agent; and

(h) perform all other duties of the Tender Agent under this Second Supplemental Indenture.

The Tender Agent shall be entitled to reasonable compensation for its services as Tender Agent as agreed upon with the Commission.

The Tender Agent at any time may resign and be discharged of the duties and obligations imposed upon the Tender Agent by this Second Supplemental Indenture, by giving written notice thereof to the Commission, the Trustee, the Remarketing Agent, the Bond Insurer and the



Liquidity Provider at least 30 days prior to the effective date of such resignation. The Tender Agent shall resign immediately at any time that it shall cease to be eligible in accordance with the provisions of this Section.

The Tender Agent may be removed at any time by the Trustee by an instrument in writing delivered to the Tender Agent, the Commission, the Trustee, the Remarketing Agent, the Liquidity Provider and the Bond Insurer.

If the Tender Agent shall resign, be removed or become incapable of acting for any cause, the Trustee, with the written consent of the Commission, the Bond Insurer and the Liquidity Provider (which consents shall not be unreasonably withheld), shall promptly appoint a successor Tender Agent by an instrument in writing delivered to the Commission, the Remarketing Agent, the Liquidity Provider, the Bond Insurer and the retiring Tender Agent. Every such successor Tender Agent appointed pursuant to the provisions of this Section shall meet the eligibility requirements of this Section. No successor Tender Agent shall accept its appointment unless at the time of such acceptance such successor Tender Agent shall be qualified and eligible under this Article.

Every successor Tender Agent appointed hereunder shall execute and deliver to the Commission, the Trustee, the Remarketing Agent, the Liquidity Provider, the Bond Insurer and the retiring Tender Agent an instrument accepting such appointment, designating its Principal Office and accepting the duties and obligations imposed upon it hereunder. No resignation or removal of the Tender Agent and no appointment of a successor Tender Agent pursuant to this Section shall become effective until the acceptance of appointment by the successor Tender Agent hereunder.

The Trustee shall give notice of each resignation and each removal of the Tender Agent and each appointment of a successor Tender Agent by mailing written notice of such event by first class mail, within 30 days of the resignation or removal of the Tender Agent or the appointment of a successor Tender Agent, to the Commission, the Liquidity Provider, the Bond Insurer, the Remarketing Agent, each rating service at the time providing a rating for the Bonds and the Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Tender Agent and the address of its principal corporate trust office.

In the event of the resignation or removal of the Tender Agent, and the appointment of a successor Tender Agent, the retiring Tender Agent shall pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor.

In the event that the Tender Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Tender Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Trustee shall not have appointed a successor as Tender Agent, the Trustee, notwithstanding the provisions of the third paragraph of this Section, shall ipso facto be deemed to be the Tender Agent for all purposes of this Second Supplemental Indenture until the appointment by the Trustee of the successor Tender Agent.



Any corporation or association into which the Tender Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any merger, conversion or consolidation to which the Tender Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Tender Agent in its individual capacity may be sold or otherwise transferred, shall be the Tender Agent under this Second Supplemental Indenture without further act.

### **Section 3.06 Optional Tenders During Daily Rate Periods and Weekly Rate Periods.**

(a) Owners of Daily Rate Bonds or Weekly Rate Bonds may elect to have their Daily Rate Bonds or Weekly Rate Bonds (other than Commission Bonds or Liquidity Provider Bonds), or portions thereof in Authorized Denominations, purchased at the Purchase Price on the following Purchase Dates and upon the giving of the following telephonic, telecopy or written notices meeting the further requirements set forth in Subsection (b):

(i) Daily Rate Bonds (other than Commission Bonds or Liquidity Provider Bonds) may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon telephonic, telecopy or written notice of tender to the Tender Agent and the Remarketing Agent not later than 9:30 a.m., New York City time, on the designated Purchase Date.

(ii) Weekly Rate Bonds (other than Commission Bonds or Liquidity Provider Bonds) may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of a written notice of tender to the Tender Agent and the Remarketing Agent not later than 5:00 p.m., New York City time, on a Business Day not fewer than seven days prior to the designated Purchase Date.

(b) Each notice of tender:

(i) shall, in case of a written notice, be delivered to the Tender Agent and the Remarketing Agent at their Principal Offices and be in form satisfactory to the Tender Agent and the Remarketing Agent;

(ii) shall state, whether delivered in writing or by telephone or telecopier, (A) the principal amount of the Daily Rate Bond or Weekly Rate Bond to which the notice relates and the CUSIP number of that Bond, (B) that the Owner irrevocably demands purchase of that Series 2003 Multi-Modal Bond or a specified portion thereof in an Authorized Denomination, (C) the Purchase Date on which that Series 2003 Multi-Modal Bond or portion thereof is to be purchased and (D) payment instructions with respect to the Purchase Price; and

(iii) shall automatically constitute, whether delivered in writing or by telephone or telecopier, (A) an irrevocable offer to sell the Series 2003 Multi-Modal Bond (or portion thereof) to which such notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent (or to the Liquidity Provider in the case of purchases made with funds paid under the Liquidity Facility), at a price equal to the Purchase Price,



(B) an irrevocable authorization and instruction to the Tender Agent to effect transfer of such Series 2003 Multi-Modal Bond (or portion thereof) upon receipt by the Tender Agent of funds sufficient to pay the Purchase Price on the Purchase Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Series 2003 Multi-Modal Bond to be purchased in whole or in part for other Series 2003 Multi-Modal Bonds in an equal aggregate principal amount so as to facilitate the sale of that Series 2003 Multi-Modal Bond (or portion thereof to be purchased), (D) an acknowledgment that such Owner will have no further rights with respect to that Series 2003 Multi-Modal Bond (or portion thereof) upon deposit of an amount equal to the Purchase Price thereof with the Tender Agent on the Purchase Date, except for the right of such Owner to receive the Purchase Price upon surrender of that Series 2003 Multi-Modal Bond to the Tender Agent, and (E) an agreement of such Owner to deliver such Daily Rate Bonds or Weekly Rate Bonds, with all necessary endorsements for transfer and signature guarantees, to the Tender Agent at its Principal Office not later than 1:00 p.m., New York City time, on the Purchase Date.

The determination of the Tender Agent and the Remarketing Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Owner. The Tender Agent or the Remarketing Agent may waive any irregularity or nonconformity in any notice of tender.

(c) The right of Bondowners to tender Daily Rate Bonds or Weekly Rate Bonds for purchase pursuant to this Section shall terminate upon the earliest of (i) the fifth day next preceding the Expiration Date (or unless on or prior to the fifth day next preceding the Expiration Date, the Expiration Date is extended), (ii) a Conversion Date for conversion to an Interest Rate Period other than a Daily Rate Period or a Weekly Rate Period, and (iii) the Termination Date. The right of Bondowners to tender Daily Rate Bonds or Weekly Rate Bonds for purchase pursuant to this Section may be terminated or suspended under the circumstances described in the Liquidity Facility.

(d) Notwithstanding anything to the contrary herein, all Daily Rate Bonds or Weekly Rate Bonds as to which a written notice specifying the Purchase Date has been delivered pursuant to this Section (and which have not been tendered to the Tender Agent) shall be deemed tendered on the Purchase Date specified. From and after the specified Purchase Date of a Series 2003 Multi-Modal Bond or Series 2003 Multi-Modal Bonds tendered to the Tender Agent or deemed tendered pursuant to this Section, the former Owner of such a Series 2003 Multi-Modal Bond or Series 2003 Multi-Modal Bonds shall be entitled solely to the payment of the Purchase Price of such Series 2003 Multi-Modal Bond or Series 2003 Multi-Modal Bonds tendered or deemed tendered which Purchase Price shall be payable only as set forth in Section 3.07(d).

(e) The Tender Agent shall promptly return any notice of tender delivered pursuant to this Section (together with the Series 2003 Multi-Modal Bonds submitted therewith) that is incomplete or improperly completed or not delivered within the times required by this Section to the Person or Persons submitting such notice and Series 2003 Multi-Modal Bonds upon surrender of the receipt, if any, issued therefor.



(f) Notwithstanding the foregoing, if the Series 2003 Multi-Modal Bonds are held in a book-entry form at the Securities Depository, the right to optionally tender Daily Rate Bonds or Weekly Rate Bonds may be exercised by the beneficial owners of those Series 2003 Multi-Modal Bonds. Such right shall be exercised by delivery by a beneficial owner to the Remarketing Agent no later than the times specified in Subsection (a) of the notice described in Subsection (b) stating that such beneficial owner will cause its beneficial interest (or portion thereof in an Authorized Denomination) to be tendered, the amount of such interest to be tendered, the date on which such interest will be tendered and the identity of the Participant through which the beneficial owner maintains its interest. Upon delivery of such notice, the beneficial owner must make arrangements to have its beneficial ownership interest in the Series 2003 Multi-Modal Bonds being tendered to the Tender Agent to be transferred on the records of the Securities Depository to the Tender Agent at or prior to 1:00 p.m., New York City time, on the Purchase Date.

### **Section 3.07 Purchase of Series 2003 Multi-Modal Bonds by Tender Agent.**

(a) The Tender Agent shall establish a special trust fund to be designated the Purchase Fund (the "Purchase Fund"). Within the Purchase Fund, the Tender Agent shall establish four separate accounts to be designated the Remarketing Account, the Liquidity Account, the Commission Account and the Undelivered Bond Payment Account. Only the Tender Agent shall have any right of withdrawal from the Purchase Fund; and the Purchase Fund and such right of withdrawal shall be for the sole and exclusive benefit of the Owners of the Series 2003 Multi-Modal Bonds subject to purchase on Purchase Dates (and the Liquidity Provider to the extent provided in Subsection (e)); and the Commission shall have no legal, beneficial or equitable interest in the Purchase Fund. Amounts on deposit in the Purchase Fund shall be held uninvested and without bearing interest. Amounts in a particular account of the Purchase Fund shall not be commingled with amounts in any other account of the Purchase Fund. Any moneys received by the Tender Agent by reason of the remarketing by the Remarketing Agent of Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Remarketing Account of the Purchase Fund and applied by the Tender Agent in accordance with Subsections (d) and (e). Any moneys received by the Tender Agent representing amounts paid by the Liquidity Provider under the Liquidity Facility for the purchase of Series 2003 Multi-Modal Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Liquidity Account of the Purchase Fund and applied by the Tender Agent in accordance with Subsections (d) and (e). Any moneys received by the Tender Agent representing amounts paid by the Commission for the purchase of Series 2003 Multi-Modal Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Commission Account of the Purchase Fund and applied by the Tender Agent in accordance with Subsections (d) and (e). Moneys shall be transferred to the Undelivered Bond Payment Account from the other accounts of the Purchase Fund or to the Liquidity Provider in accordance with Subsection (e); and moneys shall be applied from the Undelivered Bond Payment Account in accordance with Subsection (f).

(b) Upon receipt of any telephonic, telecopy or written notice of tender relating to Daily Rate Bonds, the Remarketing Agent shall notify the Tender Agent, the Commission and the Liquidity Provider by telephonic notice of the amount of such Series 2003 Multi-Modal



Bonds to be tendered pursuant to such notice and the Remarketing Agent shall confirm such telephonic notice by telecopier or other telecommunications device by 10:00 a.m., New York City time, on the Purchase Date, with the Remarketing Agent including in such telephonic notice and the confirmation thereof the amount of the Purchase Price of such Series 2003 Multi-Modal Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Purchase Date. Upon receipt of written notice of tender relating to Weekly Rate Bonds, the Remarketing Agent shall, not later than 5:00 p.m., New York City time, on the next Business Day, send notice of such tender to the Commission and the Liquidity Provider by telecopier or other telecommunications device, with the Remarketing Agent including in such notice the amount of the Purchase Price of such Series 2003 Multi-Modal Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Series 2003 Multi-Modal Bonds to the Purchase Date. Simultaneously with the giving (pursuant to Section 3.08(e)) of notice of any mandatory tender of Series 2003 Multi-Modal Bonds pursuant to Section 3.08(a), the Trustee shall give notice by telephone or telecopier, promptly confirmed by a written notice, to the Tender Agent, the Remarketing Agent, the Bond Insurer, the Liquidity Provider and the Commission specifying the Purchase Date, the aggregate principal amount and Purchase Price of Series 2003 Multi-Modal Bonds subject to mandatory tender on such Purchase Date, and the portion, if any, of such Purchase Price representing accrued and unpaid interest on such Series 2003 Multi-Modal Bonds to such Purchase Date.

(c) Not later than 11:30 a.m., New York City time, on each Purchase Date, the Tender Agent shall determine the amount, if any, by which the Purchase Price of the Series 2003 Multi-Modal Bonds to be purchased on such Purchase Date exceeds the amount of the proceeds of the remarketing of such Series 2003 Multi-Modal Bonds by the Remarketing Agent on deposit in the Remarketing Account of the Purchase Fund at such time; and

(i) if a Liquidity Facility is in effect on such Purchase Date, then (A) not later than 12:00 p.m., New York City time, on such Purchase Date, the Tender Agent shall request (such request being referred to as a "Liquidity Facility Request") the purchase by the Liquidity Provider under the Liquidity Facility, or the funding by the Liquidity Provider under the Liquidity Facility of moneys for the purchase, of Series 2003 Multi-Modal Bonds having a Purchase Price equal to the amount of such excess (by submitting to the Liquidity Provider in accordance with the Liquidity Facility all documents as are required for such purpose), and (B) not later than 2:00 p.m., New York City time, on such Purchase Date, the Tender Agent shall deposit the proceeds of the Liquidity Facility Request received by the Tender Agent in the Liquidity Account of the Purchase Fund; or

(ii) if no Liquidity Facility is in effect on such Purchase Date, then (A) not later than 12:00 p.m., New York City time, on such Purchase Date, the Tender Agent shall notify the Commission that the amount of such excess is the amount payable by the Commission to the Tender Agent for purposes of causing the Tender Agent to purchase on behalf of the Commission Bonds having a Purchase Price equal to such excess, and (B) not later than 2:00 p.m., New York City time, on such Purchase Date, the Tender Agent shall deposit the amount, if any, received by the Tender Agent from the Commission for such purpose in the Commission Account of the Purchase Fund.



(d) Not later than 2:30 p.m., New York City time, on each Purchase Date, the Tender Agent shall disburse the Purchase Price of Bonds to be purchased on such Purchase Date to the Owners thereof (upon surrender thereof for payment of such Purchase Price), from the following sources and in the following order of priority:

(i) Moneys on deposit in the Remarketing Account of the Purchase Fund (representing the proceeds of the remarketing by the Remarketing Agent of such Series 2003 Multi-Modal Bonds);

(ii) If a Liquidity Facility is in effect on such Purchase Date, moneys on deposit in the Liquidity Account of the Purchase Fund (representing the proceeds of a Liquidity Facility Request); and

(iii) Moneys on deposit in the Commission Account (representing amounts paid by the Commission to the Tender Agent for the purchase of such Series 2003 Multi-Modal Bonds).

If the funds available (from the sources indicated above) for the purchase of Series 2003 Multi-Modal Bonds subject to purchase on a Purchase Date are insufficient to purchase all of the Bonds subject to purchase on such Purchase Date (including Undelivered Bonds), then, no purchase of any Series 2003 Multi-Modal Bonds shall occur on such Purchase Date and, on such Purchase Date, the Tender Agent shall (i) return all of such Series 2003 Multi-Modal Bonds that were tendered to the Owners thereof, (ii) return all moneys received by the Tender Agent for the purchase of such Series 2003 Multi-Modal Bonds to the respective Persons that provided such moneys (in the respective amounts in which such moneys were so provided), and (iii) notify the Trustee of the foregoing. If the Liquidity Facility is in effect, no such failure to purchase Bonds shall constitute an Event of Default.

(e) Any moneys remaining in the Remarketing Account, the Liquidity Account or the Commission Account and representing (but not exceeding) the Purchase Price of Series 2003 Multi-Modal Bonds subject to purchase on the applicable Purchase Date but not tendered and delivered for purchase on the applicable Purchase Date (following the payments described in Subsection (d)) shall be transferred by the Tender Agent to the Undelivered Bond Payment Account not later than 3:30 p.m., New York City time, on the applicable Purchase Date (and retained therein, subject to Subsection (a), for application in accordance with Subsection (f)). Any moneys remaining in the Remarketing Account, the Liquidity Account and the Commission Account on a Purchase Date (after the payments described in Subsection (d) and the transfer described in the preceding sentence of this Subsection (e)) shall be wire transferred by the Tender Agent, in immediately available funds, prior to the close of business on such Purchase Date, to the Remarketing Agent, the Liquidity Provider and the Commission, respectively.

(f) Moneys transferred to the Undelivered Bond Payment Account of the Purchase Fund on any Purchase Date shall be applied, on or after such Purchase Date, by the Tender Agent to pay the Purchase Price of Undelivered Bonds in respect of which they were so transferred, upon the surrender of such Series 2003 Multi-Modal Bonds to the Tender Agent for such purpose.



**Section 3.08 Mandatory Purchase of Series 2003 Multi-Modal Bonds.**

(a) All the Series 2003 Multi-Modal Bonds shall be subject to mandatory tender for purchase by the Tender Agent at the Purchase Price on the following Purchase Dates:

- (i) each Conversion Date;
- (ii) the first day after the last day of each Short-Term Interest Period;
- (iii) the first day after the last day of each Long-Term Interest Period;
- (iv) the fifth day next preceding each Expiration Date (unless, prior to the fifth day next preceding that Expiration Date, that Expiration Date is extended);
- (v) each Substitution Date; and
- (vi) any Termination Date.

(b) Series 2003 Multi-Modal Bonds to be purchased pursuant to Subsection (a) shall be delivered by the Owners thereof to the Tender Agent (together with necessary assignments and endorsements) at or prior to 1:00 p.m., New York City time, on the applicable Purchase Date.

(c) Any Series 2003 Multi-Modal Bonds to be purchased by the Tender Agent pursuant to this Section that are not delivered for purchase on or prior to the Purchase Date, for which there has been irrevocably deposited in trust with the Trustee or the Tender Agent an amount sufficient to pay the Purchase Price of such Series 2003 Multi-Modal Bonds, shall be deemed to have been delivered to the Tender Agent for purchase, and the Owners of such Series 2003 Multi-Modal Bonds shall not be entitled to any payment (including any interest to accrue on or after the Purchase Date) other than the respective Purchase Prices of such Series 2003 Multi-Modal Bonds, and such Series 2003 Multi-Modal Bonds shall not be entitled to any benefits of this Second Supplemental Indenture, except for payment of such Purchase Price out of the moneys deposited for such payment as aforesaid.

(d) In addition to any other requirements set forth in this Indenture, notices of mandatory tender mailed to Bondowners shall:

- (i) specify the proposed Purchase Date and the event which gives rise to the proposed Purchase Date;
- (ii) state that such Series 2003 Multi-Modal Bonds shall be subject to mandatory tender for purchase on such date;
- (iii) state that Owners may not elect to retain Series 2003 Multi-Modal Bonds subject to mandatory tender;



(iv) state that all Series 2003 Multi-Modal Bonds subject to mandatory tender shall be required to be delivered to the designated corporate trust office of the Tender Agent at or before 1:00 p.m., New York City time, on the Purchase Date;

(v) state that if the Owner of any Series 2003 Multi-Modal Bond subject to mandatory tender fails to deliver such Series 2003 Multi-Modal Bond to the Tender Agent for purchase on the Purchase Date, and if the Tender Agent is in receipt of funds sufficient to pay the Purchase Price thereof, such Series 2003 Multi-Modal Bond (or portion thereof) shall nevertheless be deemed purchased on the Purchase Date and ownership of such Series 2003 Multi-Modal Bond (or portion thereof) shall be transferred to the purchaser thereof,

(vi) state that any Owner that fails to deliver such Series 2003 Multi-Modal Bond for purchase shall have no further rights thereunder or under this Indenture except the right to receive the Purchase Price thereof upon presentation and surrender of such Series 2003 Multi-Modal Bond to the Tender Agent and that the Trustee will place a stop transfer against the Series 2003 Multi-Modal Bonds subject to mandatory tender registered in the name of such Owner(s) on the registration books;

(vii) in the case of mandatory tender upon any proposed conversion of Series 2003 Multi-Modal Bonds, state that such conversion and such mandatory tender will not occur if certain events and conditions specified in Section 2.04(c) do not occur or are not satisfied (and summarize those events and conditions);

(viii) in the case of mandatory tender upon the proposed conversion of ARCs to Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Long-Term Rate Bonds, identify the Liquidity Provider, if any, and the projected rating or ratings of the Series 2003 Multi-Modal Bonds following the Conversion Date, or state that there shall be no separate Liquidity Provider other than the Commission;

(ix) in the case of mandatory tender on the fifth day next preceding the Expiration Date, state that such mandatory tender will not occur, if, on or prior to such fifth day, the Expiration Date is extended; and

(x) in the case of mandatory tender on a Substitution Date, state the information required by Section 3.12(d).

(e) Notice of mandatory tender of Bonds by reason of a proposed Conversion Date shall be given in accordance with Sections 2.04(c); and notice of mandatory tender of Series 2003 Multi-Modal Bonds by reason of a proposed Substitution Date shall be given in accordance with Section 3.12(d). Notice of mandatory tender of Series 2003 Multi-Modal Bonds by reason of other events described in Subsection (a) shall be given by the Trustee no fewer than 10 days prior to the applicable Purchase Date (i) to the Owners of the Series 2003 Multi-Modal Bonds (at their addresses as they appear on the registration books of the Trustee as of the date of such notice) by first-class mail, and (ii) to, the Commission, the Remarketing Agent, the Tender Agent and the Liquidity Provider by first-class mail;



(f) If, following the giving of notice of mandatory tender of Series 2003 Multi-Modal Bonds pursuant to Subsection (a), an event occurs which, in accordance with the terms of this Second Supplemental Indenture, causes such mandatory tender not to occur, then (i) the Trustee shall so notify the Owners of the Series 2003 Multi-Modal Bonds (at their addresses as they appear on the registration books of the Trustee on the date of such notice), by first-class mail, as soon as may be practicable after the applicable Purchase Date, and (ii) the Tender Agent shall return to their Owners any Series 2003 Multi-Modal Bonds tendered to the Tender Agent in connection with such mandatory tender of Series 2003 Multi-Modal Bonds.

### **Section 3.09 The Remarketing Agent.**

(a) At any time of a proposed conversion of the Series 2003 Multi-Modal Bonds pursuant to Section 2.04 to Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Long-Term Rate Bonds, the Commission shall appoint a Remarketing Agent with the prior written consent of the Liquidity Provider and the Bond Insurer (which consents shall not be unreasonably withheld). Successor Remarketing Agents may be appointed from time to time by the Commission with the prior written consent of the Liquidity Provider and the Bond Insurer (which consents shall not be unreasonably withheld). The Remarketing Agent shall be a corporation or other legal entity organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to perform all duties imposed upon the Remarketing Agent by this Second Supplemental Indenture, and shall be either (a) a member of the National Association of Securities Dealers, Inc. and registered as a Municipal Securities Dealer under the Securities Exchange Act of 1934, as amended, or (b) a national banking association, commercial bank or trust company. So long as the Bonds are held in book-entry form at the Securities Depository, the Remarketing Agent must be a Participant in the Securities Depository with respect to the Series 2003 Multi-Modal Bonds.

(b) Each Remarketing Agent appointed in accordance with this Second Supplemental Indenture shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Commission, the Trustee, the Tender Agent, the Commission, the Bond Insurer and the Liquidity Provider or by executing and delivering a Remarketing Agreement, in either case under which the Remarketing Agent will agree, particularly:

(i) to hold all moneys delivered to it hereunder for the purchase of Series 2003 Multi-Modal Bonds in trust for the exclusive benefit of the Person or Persons that shall have so delivered such moneys until the Series 2003 Multi-Modal Bonds purchased with such moneys shall have been delivered to or for the account of such Person or Persons;

(ii) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Commission, the Trustee, the Tender Agent and the Commission at all reasonable times;

(iii) to determine (a) the Daily Rates, Weekly Rates, Short-Term Rates and Long-Term Rates, and (b) if engaged as Remarketing Agent in connection with the



conversion to Fixed Rate Bonds, the Fixed Rate(s), and give notice of such rates in accordance with Article II;

(iv) to remarket Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds at rates no higher than the rate of interest available under the Liquidity Facility, if a Liquidity Facility secures the Series 2003 Multi-Modal Bonds, and to remarket Short-Term Rate Bonds and Long-Term Rate Bonds for Short-Term Periods or Long-Term Interest Rate Periods, as appropriate, no longer than interest is available under the Liquidity Facility if a Liquidity Facility secures the Series 2003 Multi-Modal Bonds all in accordance with Section 3.12;

(v) to offer for sale and use its best efforts to find purchasers for the Series 2003 Multi-Modal Bonds tendered for purchase, any such sale to be made at a price equal to 100% of the principal amount thereof plus accrued interest to the purchase date, in accordance with the terms of this Second Supplemental Indenture;

(vi) to deliver to the Tender Agent all Series 2003 Multi-Modal Bonds held by it in accordance with the terms of this Second Supplemental Indenture and the Remarketing Agreement; and

(vii) to perform such other duties and responsibilities (including with respect to Liquidity Facility Bonds) as are provided in this Second Supplemental Indenture to be performed by the Remarketing Agent.

Notwithstanding the foregoing, a Remarketing Agent may be engaged for only certain types of Interest Rate Periods, and in that event the Remarketing Agent shall not be required to perform the duties of the Remarketing Agent for any other type of Interest Rate Period.

(c) One or more firms may serve as co-Remarketing Agents hereunder provided that each co-Remarketing Agent satisfies the requirements of Subsection (a). If co-Remarketing Agents have been appointed and are performing the duties of Remarketing Agent hereunder, all references herein to the Remarketing Agent shall be deemed to refer to all the Remarketing Agents acting jointly; provided that the Remarketing Agreement may provide that one firm may perform certain specified duties hereunder in its sole capacity.

(d) The Remarketing Agent may at any time resign and be discharged of the duties and obligations described in this Indenture by giving at least 30 days notice to the Commission, the Trustee, the Bond Insurer, the Tender Agent, the Liquidity Provider and all rating agencies then providing ratings for the Bonds; provided that the Remarketing Agent shall continue to serve as Remarketing Agent until such time as a successor Remarketing Agent shall have been appointed and shall have accepted such appointment. The Remarketing Agent may be removed at any time upon the Written Request of the Commission and upon written notice to the Remarketing Agent, the Tender Agent, the Trustee, the Bond Insurer and the Liquidity Provider; provided, however, that no such removal shall be or become effective unless and until a successor Remarketing Agent shall have been appointed and accepted such appointment in accordance with Subsection (a).



(e) If and so long as no successor Remarketing Agent is appointed by the Commission after the office of Remarketing Agent becomes vacant, the Tender Agent or Trustee, at the expense of the Commission, may petition a court to appoint a successor Remarketing Agent.

(f) The Remarketing Agent may in good faith hold the Series 2003 Multi-Modal Bonds or any other form of indebtedness issued by the Commission; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof, and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

### **Section 3.10 Sale of Bonds by Remarketing Agent.**

(a) Upon the receipt by the Remarketing Agent of (i) notice of tender of Daily Rate Bonds or Weekly Rate Bonds pursuant to Section 3.06, or (ii) notice of mandatory tender of Bonds pursuant to Section 3.08, the Remarketing Agent shall offer for sale and use its best efforts to solicit purchases of Series 2003 Multi-Modal Bonds subject to purchase on the applicable Purchase Date at a price equal to the Purchase Price; provided that the Remarketing Agent shall not offer for sale or use its best efforts to solicit purchases of Series 2003 Multi-Modal Bonds subject to mandatory tender on the Expiration Date or the Termination Date; and provided further that, prior to the Expiration Date, the Remarketing Agent shall not offer for sale or sell any Bonds to the Commission or any Affiliate.

(b) The Remarketing Agent shall direct that the proceeds of all purchases of Series 2003 Multi-Modal Bonds solicited and arranged by the Remarketing Agent be paid to the Tender Agent (for deposit in the Remarketing Account of the Purchase Fund), at or prior to 11 a.m., New York City time, on the applicable Purchase Date, in immediately available funds (and, promptly upon receipt thereof, the Tender Agent shall deposit such proceeds in the Remarketing Account of the Purchase Fund).

(c) At or prior to 4:30 p.m., New York City time, on the Business Day next preceding each Purchase Date (other than a Purchase Date arising under Section 3.06 with respect to a Series 2003 Multi-Modal Bond bearing interest at a Daily Rate), the Remarketing Agent shall give notice by telephone (promptly confirmed by telecopy, telex, telegram or other telecommunication device) to the Trustee, the Tender Agent, the Liquidity Provider and the Commission specifying: (i) the aggregate principal amount and Purchase Price of Series 2003 Multi-Modal Bonds subject to purchase on such Purchase Date for which the Remarketing Agent has received indications of interest from prospective purchasers, and (ii) the aggregate principal amount and Purchase Price of Series 2003 Multi-Modal Bonds subject to purchase on such Purchase Date for which the Remarketing Agent has not received indications of interest from prospective purchasers.

(d) The Remarketing Agent shall offer for sale and use its best efforts to arrange for the sale and remarketing of all Liquidity Provider Bonds at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon (at the rate that would be borne by such



Liquidity Provider Bonds if such Liquidity Provider Bonds were not Liquidity Provider Bonds). In connection with each remarketing of Liquidity Provider Bonds by the Remarketing Agent:

(i) The Remarketing Agent shall (A) provide to the Commission, the Liquidity Provider, the Trustee and the Tender Agent not less than one Business Day prior notice of such remarketing, and (B) pay, or cause to be paid to the Liquidity Provider, by wire transfer of immediately available funds, the proceeds of such remarketing;

(ii) The Commission shall (A) in consultation with the Liquidity Provider, calculate the amounts payable to the Liquidity Provider pursuant to the Liquidity Facility by reason of, and on the date of such remarketing (such amounts being referred to as the "Remarketing Payment Amount"), and (B) pay to the Liquidity Provider, or direct the Trustee to withdraw from the Debt Service Fund and pay to the Liquidity Provider, in either case, on the date of such remarketing and by wire transfer of immediately available funds, an amount of money which, when added to the proceeds of such remarketing being delivered to the Liquidity Provider on the date of such remarketing, equals the Remarketing Payment Amount;

(iii) The Tender Agent shall confirm with the Liquidity Provider the receipt by the Liquidity Provider of the Remarketing Payment Amount, the reinstatement of the Liquidity Facility in respect of such Liquidity Provider Bonds and the authorization of the Liquidity Provider to release such Liquidity Provider Bonds; and

(iv) After, and only after, receipt by the Tender Agent of confirmation by the Liquidity Provider of the reinstatement of the Liquidity Facility to cover such Liquidity Provider Bonds following remarketing thereof and authorization by the Liquidity Provider of such transfer or such authentication and delivery, the Tender Agent shall (A) while a book-entry system is in effect with respect to the Series 2003 Multi-Modal Bonds, cause the ownership interest in such Liquidity Provider Bonds to be transferred to or for the benefit of such purchaser or purchasers as are specified by the Remarketing Agent for such purpose, and (B) while a book-entry system is not in effect with the Securities Depository with respect to the Series 2003 Multi-Modal Bonds, cause the Trustee to authenticate other Series 2003 Multi-Modal Bonds in lieu of such Liquidity Provider Bonds and to deliver the same to or upon the instruction of the Remarketing Agent.

(e) The Remarketing Agent shall offer for sale and use its best efforts to arrange for the sale and remarketing of (i) all Series 2003 Multi-Modal Bonds subject to purchase on a Purchase Date that are purchased with moneys provided by the Commission to the Tender Agent for such purpose (as described in Section 3.07(c)(ii)), and (ii) all Bonds that are purchased by the Commission pursuant to the Liquidity Facility and not surrendered by the Commission for cancellation.



### **Section 3.11 Delivery of Series 2003 Multi-Modal Bonds.**

(a) Upon application of the moneys described in Section 3.07(d)(i) to the purchase of Series 2003 Multi-Modal Bonds on a Purchase Date pursuant to Section 3.07(d)(i) (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to Section 3.07(e)), the Tender Agent shall cause the Trustee to register the transfer of Series 2003 Multi-Modal Bonds purchased therewith in the names of the purchasers thereof in accordance with information provided by the Remarketing Agent for such purpose and to have such transferred Series 2003 Multi-Modal Bonds available for delivery against payment therefor.

(b) Upon application of the moneys described in Section 3.07(d)(ii) to the purchase of Series 2003 Multi-Modal Bonds on a Purchase Date pursuant to Section 3.07(d)(ii) (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to Section 3.07(e)), (i) the Series 2003 Multi-Modal Bonds purchased (or, in the case of such transfer, provided to be purchased) with such moneys shall constitute Liquidity Provider Bonds (unless and until such Series 2003 Multi-Modal Bonds cease to be Liquidity Provider Bonds as described in the definition thereof), and (ii) if a book-entry system is in effect with the Securities Depository with respect to the Bonds, the ownership interest in such Liquidity Provider Bonds shall be transferred on the books of the Securities Depository to or for the account of the Tender Agent or a Participant acting on behalf of the Tender Agent and the Tender Agent shall, and shall cause such Participant to, mark its own books and records to reflect the beneficial ownership of such Liquidity Provider Bonds by the Liquidity Provider, and (iii) if a book-entry system is not in effect with the Securities Depository with respect to the Series 2003 Multi-Modal Bonds, such Series 2003 Multi-Modal Bonds shall be delivered by the Tender Agent to the Trustee for registration of transfer and shall be registered by the Trustee in the name of the Liquidity Provider, or any nominee of the Liquidity Provider, and delivered by the Trustee to the Tender Agent and held by the Tender Agent as the custodian of the Liquidity Provider. The Tender Agent shall release and redeliver or transfer Liquidity Provider Bonds (being remarketed by the Remarketing Agent) as provided in Section 3.10(d). Any other disposition of Liquidity Provider Bonds shall be made only at the written direction or with the prior written consent of the Liquidity Provider.

(c) Upon the application of moneys described in Section 3.07(d)(iii) to the purchase of Bonds on a Purchase Date pursuant to Section 3.07(d)(iii) (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to Section 3.07(e)), the Series 2003 Multi-Modal Bonds purchased (or, in the case of such transfer, provided to be purchased) with such moneys shall be registered in the name of the Commission and shall, at the direction of the Commission, be delivered to the Trustee for cancellation (and canceled by the Trustee) or delivered to the Tender Agent for the account of the Commission and remarketed in accordance with Section 3.10(e).

(d) Any Series 2003 Multi-Modal Bonds canceled by the Trustee pursuant to this Section and any Bonds surrendered by the Commission to the Trustee for cancellation shall be allocated to the next succeeding scheduled mandatory redemption obligation pursuant to Section 3.02(c), then as a credit against such future scheduled mandatory redemption obligation pursuant to Section 3.02(c) as the Commission may specify in a Certificate of Commission



Representative. Prior to the Expiration Date, the Trustee shall notify the Liquidity Provider of the aggregate principal amount of Series 2003 Multi-Modal Bonds so canceled and shall submit to the Liquidity Provider such documents, if any, as are required in accordance with the terms of the Liquidity Facility to cause the amounts available under the Liquidity Facility to be reduced in respect of such Series 2003 Multi-Modal Bonds so canceled.

### **Section 3.12 The Liquidity Facility.**

(a) The Tender Agent shall make Liquidity Facility Requests in accordance with Section 3.07(c).

(b) The Tender Agent shall not terminate or reduce the amounts available under the Liquidity Facility except by reason of the redemption, cancellation and/or defeasance of Series 2003 Multi-Modal Bonds.

(c) The Commission shall maintain a Liquidity Facility in effect in accordance with Section 3.13 herein at all times it is required to do so by that Section.

(d) The Commission may furnish a Substitute Liquidity Facility (which shall be acceptable to the Bond Insurer) in substitution for the then existing Liquidity Facility upon satisfaction of the conditions set forth in Section 3.13 herein. The Trustee shall give notice to the Owners of the Series 2003 Multi-Modal Bonds (at their addresses as they appear on the registration books of the Trustee as of the date of such notice) and the Bond Insurer, by first-class mail, of the proposed substitution of a Substitute Liquidity Facility for the Liquidity Facility then in effect and the related Substitution Date (stating the issuer or issuers and the term of such Substitute Liquidity Facility) at least 10 days prior to such Substitution Date. Such notice shall also constitute the notice of mandatory tender of the Series 2003 Multi-Modal Bonds on the related Substitution Date; provided, however, that in addition to the information required by Section 3.08(d), such notice shall state that such mandatory tender of the Series 2003 Multi-Modal Bonds will not occur if, on or prior to the proposed Substitution Date, (i) the Tender Agent does not receive such Substitute Liquidity Facility, together with the supporting substitution documents, or (ii) if the Tender Agent does not receive the prior written consent of the Bond Insurer and the written evidence from each Rating Agency then having a rating assigned to the Series 2003 Multi-Modal Bonds that the substitution which is to occur on such Substitution Date will not, in and of itself, result in a reduction, suspension or withdrawal by such Rating Agency of the short-term rating then assigned by such Rating Agency to the Series 2003 Multi-Modal Bonds. If, by reason of the conditions to such mandatory tender of the Series 2003 Multi-Modal Bonds (as stated in such notice), there is no mandatory tender of the Series 2003 Multi-Modal Bonds on the proposed Substitution Date, (i) the Tender Agent shall so notify the Trustee, (ii) the Trustee shall so notify the Owners of the Series 2003 Multi-Modal Bonds (at their addresses as they appear on the registration books of the Trustee as of the date of such notice) by first-class mail, and (iii) the Tender Agent shall return to their Owners any Series 2003 Multi-Modal Bonds tendered to the Tender Agent in connection with such mandatory tender of the Series 2003 Multi-Modal Bonds. Regardless of whether there is a mandatory tender for purchase of the Series 2003 Multi-Modal Bonds on a Substitution Date, the Trustee shall give notice of the occurrence of such Substitution Date to the Owners of the Series 2003 Multi-Modal



Bonds (at their addresses as they appear on the registration books of the Trustee as of the date of such notice), by first-class mail, within five days after the occurrence of such Substitution Date.

(e) No Liquidity Facility is required if the requirements of Section 3.13(c) are met (which includes the prior written consent of the Bond Insurer) for the expiration of any Liquidity Facility without substitution of a Substitute Liquidity Facility.

### **Section 3.13. Liquidity Facility; Substitute Liquidity Facility.**

(a) During any time that Series 2003 Multi-Modal Bonds are Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Long-Term Rate Bonds, the Commission shall maintain a Liquidity Facility issued by a Qualified Financial Institution or, with the prior written consent of the Bond Insurer, the Commission may deliver a Substitute Liquidity Facility, in an amount equal to the aggregate principal amount of all Outstanding Series 2003 Multi-Modal Bonds, plus an amount equal to at least 34 days interest (183 days interest if the Series 2003 Multi-Modal Bonds are Long-Term Rate Bonds) on all Series 2003 Multi-Modal Bonds Outstanding at the Maximum Rate other than Liquidity Provider Bonds under which the Liquidity Provider is required to purchase Series 2003 Multi-Modal Bonds tendered for purchase in accordance with the Bond Indenture. The Commission will not voluntarily terminate the Liquidity Facility while Series 2003 Multi-Modal Bonds are Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Long-Term Rate Bonds without at least 60 days prior written notice to the Trustee and without providing for a Substitute Liquidity Facility acceptable to the Bond Insurer prior to the effective date of such termination.

(b) Subject to any restrictions contained in a Liquidity Facility, at any time the Commission may, with the prior written consent of the Bond Insurer (which consent shall not be unreasonably withheld), furnish a Substitute Liquidity Facility in substitution for an existing Liquidity Facility subject to the following limitations and the other limitations set forth in this Section:

(i) The Substitute Liquidity Facility must be provided by a Qualified Financial Institution or, with the written consent of the Bond Insurer, the Commission.

(ii) The principal amount of the Substitute Liquidity Facility must be not less than that required by Section 3.13(a) and the terms of the Substitute Liquidity Facility regarding the purchase, holding and sale of Series 2003 Multi-Modal Bonds thereunder must be in all material respects the same as those of the existing Liquidity Facility.

(iii) The bank or financial institution providing the Substitute Liquidity Facility and the form and content of the Substitute Liquidity Facility must be acceptable to the Bond Trustee, the Remarketing Agent and the Bond Insurer (whose consents shall not be unreasonably withheld).

(iv) The term of the Substitute Liquidity Facility must be at least 90



days.

(v) On or prior to the effective date of a Liquidity Facility, the Commission shall furnish to the Series 2003 Multi-Modal Bond Trustee and the Bond Insurer:

(A) an Opinion of Counsel acceptable to the Trustee and the Bond Insurer to the effect that the Liquidity Facility has been duly authorized, executed and delivered by the Liquidity Provider and is a valid and binding obligation of the Liquidity Provider enforceable in accordance with its terms (subject as to enforceability to standard exceptions respecting bankruptcy, insolvency and similar laws and principles of equity) and that the exemption of the Series 2003 Multi-Modal Bonds (or any securities evidenced thereby) from the registration requirements of the Securities Act of 1933, as amended, and the exemption of this Indenture from qualification under the Trust Indenture Act of 1939, as amended, shall not be impaired by such Substitute Liquidity Facility or that the applicable registration or qualification requirements of such acts have been satisfied, and

(B) a Favorable Opinion of Bond Counsel.

(vi) The Commission shall give written notice to the Trustee, the Tender Agent, the Bond Insurer, the Liquidity Provider, the Remarketing Agent and each rating service then maintaining a rating on the Series 2003 Multi-Modal Bonds, not less than 30 days prior to the effective date of any replacement of a Liquidity Facility with a Substitute Liquidity Facility and not less than 30 days prior to the Expiration Date of a Liquidity Facility then in effect, specifying that the Commission intends to replace the Liquidity Facility with a Substitute Liquidity Facility on or before the Expiration Date of the Liquidity Facility then in effect. Upon receipt of such notice, the Trustee shall promptly mail a notice of the anticipated delivery of the Substitute Liquidity Facility by first-class mail to the Remarketing Agent and each Owner. A draft of each Substitute Liquidity Facility and appropriate information concerning the issuer of the Substitute Liquidity Facility shall be submitted by the Commission to each rating service then maintaining a rating on the Series 2003 Multi-Modal Bonds.

(vii) The Commission shall cause to be delivered to the Bond Trustee not less than 30 days prior to the Expiration Date of an existing Liquidity Facility (A) a commitment by the Liquidity Provider that will issue the Substitute Liquidity Facility, and (B) written notice from each rating service that has notified the Trustee in writing that it has established a rating on the Series 2003 Multi-Modal Bonds stating whether the substitution of the Substitute Liquidity Facility will result in a reduction or withdrawal of its short-term rating then in effect on



the Series 2003 Multi-Modal Bonds. The Series 2003 Multi-Modal Bonds shall be subject to mandatory tender as provided herein, regardless of whether the proposed Substitute Liquidity Facility will result in a withdrawal or reduction of that rating service's then current short-term rating for the Series 2003 Multi-Modal Bonds.

(c) The Commission shall exercise its best efforts to arrange for the delivery to the Trustee of a Substitute Liquidity Facility to replace any Liquidity Facility then in effect at or before the expiration thereof prior to the end of any then current Interest Rate Period or upon the occurrence of any of the following events or circumstances:

(i) If the Liquidity Provider has rescinded, terminated or repudiated the Liquidity Facility, or the Liquidity Provider or any governmental authority with jurisdiction over the Liquidity Facility is challenging the validity of the Liquidity Facility or if the Liquidity Provider is in default under the Liquidity Facility.

(ii) If the Liquidity Provider refuses to extend the Expiration Date with respect to the current Liquidity Facility then in effect, but the term of such Substitute Liquidity Facility need not (but may) begin prior to the Expiration Date of the current Liquidity Facility then in effect. The Commission shall not terminate the current Liquidity Facility until the term of the Substitute Liquidity Facility has begun.

(iii) Receipt by the Trustee of written notice from the Liquidity Provider that an "event of default" or an "event of termination" as defined in the Liquidity Facility has occurred and is continuing under the Liquidity Facility.

(iv) Failure of the Liquidity Provider to honor its obligation under the Liquidity Facility to purchase Series 2003 Multi-Modal Bonds.

(d) The Commission shall, if requested to do so by the Bond Insurer, use its best efforts to substitute a Substitute Liquidity Facility for any existing Liquidity Facility pursuant to this Section if the unsecured rating for the short-term debt of the Liquidity Provider thereunder is reduced below the two highest short-term rating categories by any rating service then rating the Series 2003 Multi-Modal Bonds that are covered by that existing Liquidity Facility.

(e) The Commission may, with the prior written consent of the Bond Insurer, provide its own Liquidity Facility if the Commission has agreed to pay the Purchase Price of any tendered Series 2003 Multi-Modal Bonds itself. As a result, any references herein to the Bank or to the Liquidity Facility shall be ignored or shall be construed as referencing the Commission for as long as the Commission has agreed to pay the Purchase Price of any tendered Series 2003 Multi-Modal Bonds itself. References to a "draw" or "drawing" (or a similar term) on the Liquidity Facility, for example, shall be construed in the absence of a Liquidity Facility to be a notice to the Commission of the need to provide funds for the purchase of Series 2003 Multi-Modal Bonds. If



the Commission provides its own Liquidity Facility, then the Bonds are subject to mandatory tender under the same terms as that of providing a Substitute Liquidity Facility herein.

## ARTICLE IV

### CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

**Section 4.01 Creation of Funds and Accounts.** The Original Indenture created a Clearing Fund, a Revenue Fund, an Oil Franchise Tax Construction Fund, a Senior Bonds Debt Service Fund and a 2003 Rebate Fund. The First Supplemental Indenture created an Insured Swap Payment Account within the Senior Bonds Debt Service Fund, a 2003 Construction Fund Account within the Oil Franchise Tax Construction Fund and a 2003 Rebate Fund. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds and accounts in the name of the Commission as follows:

Within the Senior Bonds Debt Service Fund, the Senior Bonds Eligible Moneys Account, a Senior Bonds Non-Eligible Moneys Account.

The Trustee shall establish such accounts or subaccounts within such funds as are called for by the provision hereof at such time or times as such accounts or subaccounts are required or become applicable.

**Section 4.02 Deposit of Series 2003 Multi-Modal Bond Proceeds and Other Moneys.** The Commission shall cause to be paid all of the purchase price of the Series 2003 Multi-Modal Bonds by the Original Purchaser to the Trustee, and the Trustee shall deposit and apply such proceeds as set forth in the order of the Commission as required by Section 207(b) of the Original Indenture to issue the Bonds as Additional Bonds under the Original Indenture:

**Section 4.03 Clearing Fund.** There shall be deposited in the 2003 Series C Account of the Clearing Fund all of the net proceeds of the sale of the 2003 Series Multi-Modal Bonds, including accrued interest payable thereon, in accordance with Section 2.2. The amounts so deposited in the Clearing Fund shall be disbursed or transferred by the Trustee upon the furnishing of an Order of the Chairman of the Commission, substantially in the form of Exhibit C hereto, as is provided by Section 207(b) of the Original Indenture. There may be reserved in the Clearing Fund moneys for the payment of any unpaid items, including a contingency amount therefor, as may be set forth in the aforesaid Order of the Chairman of the Commission, and payment thereof shall be made by the Trustee upon receipt of a supplemental Order of the Chairman of the Commission. Upon the sooner of such payments and transfers finally being accomplished and that date six (6) months after the date of issuance of the Series 2003 Multi-Modal Bonds, any remaining balance shall be transferred to the 2003 Construction Account.



#### **Section 4.04 Debt Service Fund.**

(a) The Trustee shall make deposits and credits to the Senior Bonds Debt Service Fund, as and when received, as set forth below.

(i) All amounts required below payable from the Revenue Fund established under the Original Indenture.

(ii) Interest earnings and other income on Permitted Investments required to be deposited in the Debt Service Fund pursuant to Section 601 of the Original Indenture.

(iii) All other moneys received by the Trustee under any other Bond Document, when accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Senior Bonds Debt Service Fund.

(b) Any amounts received for deposit in the Senior Bonds Debt Service Fund that do not constitute Eligible Moneys shall be held in the Non-Eligible Moneys Account and shall not be commingled with any other moneys held by the Trustee. At such time as moneys in the Non-Eligible Moneys Account constitute Eligible Moneys, as evidenced by an opinion delivered to the Trustee satisfying the requirements set forth in clause (a) of the definition of "Eligible Moneys" herein, they shall be transferred to the Eligible Moneys Account upon written direction of the Commission. Any amounts received for deposit in the Senior Bonds Debt Service Fund that constitute Eligible Moneys (other than amounts drawn under the Liquidity Facility), and any amounts deposited in the Non-Eligible Moneys Account which at a later date become Eligible Moneys, shall be held in the Eligible Moneys Account and shall not be commingled with any other moneys held by the Trustee. Any amounts drawn under the Liquidity Facility for the payment of principal of or premium, if any, or interest on the Series 2003 Multi-Modal Bonds shall be held in the Liquidity Facility Account and shall not be commingled with moneys held by the Trustee.

(c) In connection with the Series 2003 Multi-Modal Bonds, moneys in the Senior Bonds Debt Service Fund shall be expended on a parity basis as follows: (i) to pay interest on the Series 2003 Multi-Modal Bonds as the same becomes due; (ii) to pay principal of the Series 2003 Multi-Modal Bonds as the same mature or become due and upon mandatory sinking fund redemption thereof; (iii) to pay principal of and redemption premium, if any, on the Series A Senior Multi-Modal Bonds as the same become due upon redemption (other than mandatory sinking fund redemption) prior to maturity; (iv) to pay Insured Swap Payments due under the Parity Swap Agreements; and (v) to pay amounts due under the Insurance Agreement. At the direction of the Bond Insurer the Trustee shall pay amounts due under the Insurance Agreement.

(d) The Commission hereby authorizes and directs the Trustee to withdraw sufficient funds from the Senior Bonds Debt Service Fund to pay principal of and redemption premium, if any, and interest on the Series 2003 Multi-Modal Bonds as the same become due and payable at maturity or upon redemption and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest.



(e) Whenever there is on deposit in the Senior Bonds Debt Service Fund Eligible Moneys sufficient to redeem all or a portion of the Series 2003 Multi-Modal Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, the Trustee shall, upon Written Request of the Commission Representative, take and cause to be taken the necessary steps to redeem all such Series 2003 Multi-Modal Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Commission. Any Eligible Moneys in the Senior Bonds Debt Service Fund may be used to redeem a part of the Series 2003 Multi-Modal Bonds Outstanding, in accordance with Article III to the extent the amount required for payment of Series 2003 Multi-Modal Bonds theretofore matured or called for redemption and past due interest in all cases when such Series 2003 Multi-Modal Bonds have not been presented for payment.

(f) After payment in full of the principal of and redemption premium, if any, and interest on the Series 2003 Multi-Modal Bonds (or after provision has been made for the payment thereof as provided in this Second Supplemental Indenture), payment in full of Insured Swap Payments under the Parity Swap Agreements, all rebatable arbitrage to the United States and the fees, charges and expenses of the Trustee, the Tender Agent any Paying Agent and the Commission, and any other amounts required to be paid under this Indenture and amounts due to the Bond Insurer under the Insurance Agreement, all amounts remaining in the Senior Bonds Debt Service Fund shall be paid to the Commission.

**Section 4.05 Rebate Fund.** The Trustee shall make deposits to and disbursements from the Series 2003 Rebate Fund in accordance with the Tax Regulatory Agreement and shall invest the Series 2003 Rebate Fund pursuant to the written instructions given to it by the Commission. The immediately preceding sentence of this Section may be superseded or amended by a new Tax Regulatory 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 Regulatory Agreement will not cause the interest on the Series 2003 Multi-Modal Bonds to become includable in gross income of the recipient thereof for purposes of federal income taxation under Section 103 of the Code.

## ARTICLE V

[RESERVED]

## ARTICLE VI

### PARTICULAR COVENANTS AND PROVISIONS

**Section 6.01 Payment of Principal of and Interest on Series 2003 Multi-Modal Bonds.** The Commission shall promptly pay or cause to be paid the principal or redemption price of, and the interest on, including certain amounts owed under any Parity Swap Agreement and amounts owed under the Insurance Agreement, every Series 2003 Multi-Modal Bond issued hereunder according to the terms thereof, but shall be required to make such payment or cause



such payment to be made only out of Tax Revenues or otherwise from the Trust Estate.

**Section 6.02 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, permits, 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 Series 2003 Multi-Modal Bonds.

**Section 6.03 Further Assurances.** Except to the extent otherwise provided in the Indenture, the Commission shall not enter into any contract or take any action by which the rights of the Trustee, the Bond Insurer or the Series 2003 Multi-Modal Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Second Supplemental Indenture.

**Section 6.04 Bonds Not to Become Arbitrage Bonds.** The Commission covenants to the holders of the Series 2003 Multi-Modal Bonds that, notwithstanding any other provision of this Second Supplemental Indenture or any other instrument, it will not make any investment or other use of the proceeds of the Series 2003 Multi-Modal Bonds which, if such investment or use had been reasonably expected on the Series Issue Date, would have caused the Series 2003 Bonds to be arbitrage bonds under Section 148 of the Code and the rules and regulations thereunder, and the Commission further covenants that it will comply with the requirements of such Section, rules and regulations. The foregoing covenants shall extend throughout the term of the Series 2003 Multi-Modal Bonds to all funds and accounts created under this Second Supplemental Indenture and all moneys on deposit to the credit of any such fund or account, and to any other amounts which are Series 2003 Multi-Modal Bond proceeds for purposes of Section 148 of the Code and the rules and regulations thereunder.

**Section 6.05 Financing Statements.** The Commission shall, at the request of the Trustee or the Bond Insurer, cause financing statements relating to this Second Supplemental Indenture to be filed, in such manner and at such places as may be required by law fully to protect the security of the holders of the Series 2003 Multi-Modal Bonds, the Bond Insurer and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof. From time to time, the Trustee may, but shall not be required to, obtain an Opinion of Counsel setting forth what, if any, actions by the Commission, or Trustee should be taken to preserve such security. The Commission shall execute or cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Series 2003 Multi-Modal Bondholders, and shall furnish satisfactory evidence to the Trustee of filing and refiling of such instruments and of every additional instrument which shall be necessary to preserve the security of the Series 2003 Multi-Modal Bondholders and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof until the principal of and interest on the Series 2003 Multi-Modal 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.

## **ARTICLE VII**

### **DEFAULT AND REMEDIES**

Terms and provisions concerning Events of Default and Remedies are set forth in Article VIII of the Original Indenture

## **ARTICLE VIII**

### **THE TRUSTEE**

Terms and provisions concerning the Trustee are set forth in Article IX of the Original Indenture and Article VIII of the First Supplemental Indenture.

## **ARTICLE IX**

### **SUPPLEMENTAL INDENTURES**

Terms and provisions concerning Supplemental Indentures are set forth in Article XIII of the Original Indenture.

## **ARTICLE X**

### **SATISFACTION AND DISCHARGE OF INDENTURE**

Terms and provisions concerning the Satisfaction and Discharge of the Second Supplemental Indenture are set forth in Article XIII of the Original Indenture as amended by the First Supplemental Indenture.

## **ARTICLE XI**

### **PROVISIONS RELATING TO BOND INSURANCE**

#### **Section 11.01 Bond Insurer Provisions**

A. General. Notwithstanding any provision of this Indenture to the contrary, so long as the Series 2003 Insurance Policies are in effect and the Bond Insurer is not in default of its obligations thereunder, the provisions of this Section shall apply.

B. Bond Insurer Deemed Owner of Series 2003 Bonds. Upon an Event of Default with respect to Series 2003 Multi-Modal Bonds, the Bond Insurer shall have the right to direct conversions of 2003 Multi-Modal Bonds from one Interest Rate Period to another Interest Rate Period.



C. Prior Consent of the Bond Insurer. Any provision herein which purports to require the prior consent of the Bond Insurer in order to take any action shall be subject to the Series 2003 Insurance Policies then being in effect and the Bond Insurer not then in default of its obligations thereunder.

D. Payments Under Applicable Bond Insurance Policy.

(a) In the event that, on the second Business Day, and again on the Business Day, prior to any Interest Payment Date on the Series 2003 Multi-Modal Bonds, the Trustee has not received sufficient moneys to pay all principal of and interest on the Series 2003 Multi-Modal Bonds due on the second following or following, as the case may be, Business Day, the Trustee shall immediately notify the Bond Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

(b) If the deficiency is made up in whole or in part prior to on the Interest Payment Date, the Trustee shall so notify the Bond Insurer or its designee.

(c) In addition, if the Trustee has notice that any Bondholder has been required to disgorge payments of principal or interest on the Series 2003 Multi-Modal Bonds to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Trustee shall notify the Bond Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

(d) The Trustee is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Series 2003 Multi-Modal Bonds as follows:

(i) If and to the extent there is a deficiency in amount required to pay interest on the Series 2003 Multi-Modal Bonds, the Trustee shall (a) execute and deliver to U.S. Bank Trust National Association, or its successors under the Series 2003 Insurance Policy (the "Insurance Paying Agent/Trustee"), in form satisfactory to the Insurance Paying Agent/Trustee, an instrument appointing the Bond Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the Bond Insurer, (b) receive as designee of the respective Holders (and not as Trustee) in



accordance with the tenor of the Series 2003 Insurance Policy payment from the Insurance Payment Agent/Trustee with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

(ii) If and to the extent of a deficiency in amounts required to pay principal of the Series 2003 Multi-Modal Bonds, the Trustee shall (a) execute and deliver to the Insurance Paying Agent/Trustee in form satisfactory to the Insurance Paying Agent/Trustee an instrument appointing the Bond Insurer as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to the Bond Insurer of any of the Series 2003 Multi-Modal Bonds surrendered to the Insurance Paying Agent/Trustee of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Trustee and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent/Trustee is received), (b) receive as designee of the respective Holders (and not as Trustee) in accordance with the tenor of the Policy payment therefor from the Insurance Paying Agent/Trustee, and (c) disburse the same to such Holders.

(e) Payments with respect to claims for interest on and principal of Series 2003 Multi-Modal Bonds disbursed by the Trustee from proceeds of the applicable Series 2003 Insurance Policy shall not be considered to discharge the obligation of the Commission with respect to such Series 2003 Multi-Modal Bonds, and the Bond Insurer shall become the owner of such unpaid Series 2003 Multi-Modal Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(f) Irrespective of whether any such assignment is executed and delivered, the Commission and the Trustee hereby agree for the benefit of the Series 2003 Insurer that:

(i) They recognize that to the extent the Bond Insurer makes payments, directly or indirectly (as by paying through the Trustee), on account of principal of or interest on the Series 2003 Multi-Modal Bonds, the Bond Insurer will be subrogated to the rights of such Bondholders to receive the amount of such principal and interest from the Commission, with interest thereon as provided and solely from the sources stated in this Indenture and the Series 2003 Multi-Modal Bonds; and

(ii) They will accordingly pay to the Series 2003 Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Series 2003 Insurance Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this Indenture and the Series 2003 Multi-Modal Bond, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Series 2003 Multi-Modal Bonds to Holders, and will otherwise treat the Bond Insurer as the owner of the such rights to the amount of such principal and interest.



E. Miscellaneous.

A. In connection with the issuance of any Additional Bonds, the Commission shall deliver to the Bond Insurer a copy of the disclosure document, if any, circulated with respect to such Additional Bonds.

B. Copies of any amendments made to the documents executed in connection with the issuance of the Series 2003 Multi-Modal Bonds which are consented to by the Bond Insurer shall be sent to S&P.

C. The Bond Insurer shall receive notice of the resignation or removal of the Trustee and the appointment of a successor thereto.

D. The Bond Insurer shall receive copies of all notices required to be delivered to Bondholders and, on any annual basis, copies of the Commission's audited financial statements and Annual Budget.

E. Any notice that is required to be given to a Bondholder of the Series 2003 Multi-Modal Bond or to the Trustee pursuant to this Second Supplemental Indenture shall also be provided to the Bond Insurer. All notices required to be given to the Bond Insurer under this Second Supplemental Indenture shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York, 10504, Attention: Insured Portfolio Management-East.

F. The Commission agrees to reimburse the Bond Insurer upon demand, to the extent permitted by law and only to the extent available from the Trust Estate, for all reasonable expenses, including attorneys' fees and expenses, incurred by the Bond Insurer in connection with (i) the enforcement by the Bond Insurer of the Commission's obligations, or the preservation or defense of any rights of the Bond Insurer, under this Second Supplemental Indenture and any other document executed in connection with issuance of the Series 2003 Multi-Modal Bonds, and (ii) any consent, amendment, waiver or other action with respect to the Indenture or any related document, whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's Prime Rate plus 3% or the maximum interest rate permitted by law, whichever is less. In addition, the Bond Insurer reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved.

G. The Commission agrees not to use Bond Insurer's name in any public document including, without limitation, any press release or presentation, announcement or forum without Bond Insurer's prior consent. In the event that the Commission is advised by counsel that it has a legal obligation to disclose Bond Insurer's name in any press release, public announcement or other public document, the Commission shall provide Bond Insurer with at least three (3) business days' prior written notice of its intent to use Bond Insurer's name together with a copy of the proposed use of Bond Insurer's name and/or any description of a



transaction with Bond Insurer and shall obtain Bond Insurer's prior consent as to the form and substance of the proposed use of Bond Insurer's name and any such description.

H. The Commission shall not enter into any agreement nor shall it consent to or participate in any arrangement pursuant to which the Series 2003 Multi-Modal Bonds are tendered or purchased for any purpose other than the redemption and cancellation or legal defeasance of such Series 2003 Multi-Modal Bond without the prior written consent of Bond Insurer.

**Section 11.02 Bond Insurer as Owner.** For purposes of instituting proceedings and directing proceedings under Article VIII of the Original Indenture, giving any direction or instruction to the Trustee under Article VIII of the Original Indenture, or taking any action to remove or replace the Trustee under Section 913 of the Original Indenture, the Bond Insurer shall be deemed to be the sole Owner of such Series 2003 Multi-Modal Bonds (to the exclusion of the registered owners thereof), provided that it is not in default under its Series 2003 Insurance Policy.

## ARTICLE XII

### CONSENT OF 1998 BOND INSURER

**Section 12.01 1998 Bond Insurer Consent.** The Bond Insurer for the 1998 Bonds has consented to this Second Supplemental Indenture.

## ARTICLE XIII

### MISCELLANEOUS PROVISIONS

**Section 13.01 Severability.** If any provision of this Second Supplemental Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Second Supplemental Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

**Section 13.02 Execution in Counterparts.** This Second Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 13.03 Governing Law.** This Second Supplemental Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the Commonwealth.



[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, Pennsylvania Turnpike Commission has caused this Second Supplemental Indenture to be executed by its Chief Financial Officer and attested by an Authorized Officer, and the Trustee and the Paying Agent, have each caused this Second Supplemental Indenture to be executed by one of their respective Vice Presidents and attested by one of their respective Authorized Officers, all as of the day and year first above written.

ATTEST:

PENNSYLVANIA TURNPIKE COMMISSION

By:   
Authorized Officer

By   
Chief Financial Officer

ATTEST:

NATIONAL CITY BANK OF PENNSYLVANIA,  
as Trustee

By:   
Authorized Officer

By   
(Vice) President

ATTEST:

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Paying Agent

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

By \_\_\_\_\_  
(Vice) President



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

ATTEST:

PENNSYLVANIA TURNPIKE COMMISSION

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

By \_\_\_\_\_  
(Vice) Chairman

ATTEST:

NATIONAL CITY BANK OF PENNSYLVANIA,  
as Trustee

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

By \_\_\_\_\_  
(Vice) President

ATTEST:

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Paying Agent

By: *James L. Smith*  
Authorized Officer

By: *Bernard Weiss*  
(Vice) President



**EXHIBIT A  
TO TRUST INDENTURE**

**(FORM OF BOND)**

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Commission or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[Form of 2003 Series C Senior Multi-Modal Bond]

Dated Date:

No.: R-1

Interest Rate: Variable (as provided  
herein

Registered Owner: CEDE & CO.

Maturity Date:

Principal Amount:

CUSIP No:

**PENNSYLVANIA TURNPIKE COMMISSION OIL FRANCHISE TAX MULTI-  
MODAL SENIOR REVENUE BOND SERIES C OF 2003**

Pennsylvania Turnpike Commission (the "Commission"), an instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby promises to pay to the registered owner hereof, or registered assigns, on the maturity date shown hereon, the principal amount shown hereon, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof at the designated corporate trust office of National City Bank of Pennsylvania, Pittsburgh, Pennsylvania, as trustee (the "Trustee") under the Second Supplemental Trust Indenture dated as of August 1, 2003 (the "Second Supplemental Indenture"), amending and supplementing the Trust Indenture dated as of August 1, 1998 (the "Original Indenture") as amended and supplemented by the First Supplemental Trust Indenture dated as of August 1, 2003 (the "First Supplemental Indenture" and together with the Original Indenture and the Second Supplemental Indenture, the "Indenture"), by and between the Commission and the Trustee, and to pay by check or draft drawn on Manufacturers and Traders Trust Company (together with any successors, the "Paying Agent"), interest on such principal sum, at the interest rate as described herein and in the Second Supplemental Indenture. The principal of and interest on this Bond 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. The principal of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this Bond at the Principal Office of the Trustee.



The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Commission (the "Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date for such interest next preceding such Interest Payment Date and shall be paid (1) by check or draft of the Trustee 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 furnished in writing by such Registered Owner to the Trustee or (2) by electronic transfer in immediately available funds, if the Bonds are held by The Depository Trust Company or another securities depository, or at the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000 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 one Business Day before the applicable Record Date preceding such Interest Payment Date. Interest on Short-Term Rate Bonds shall be paid only upon presentation and surrender of those Bonds. Interest on any Liquidity Provider Bond that ceases to be a Liquidity Provider Bond during an interest period shall be paid to the Person who is the Owner at the close of business on the Regular Record Date at the rate borne by Bonds other than Liquidity Provider Bonds.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH IN FULL ON THE FACE SIDE OF THIS BOND AT THIS PLACE.

**THE BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION PAYABLE SOLELY FROM THAT PORTION OF THE OIL FRANCHISE TAX (AS DEFINED HEREINAFTER) PAID TO THE COMMISSION OR THE TRUSTEE AND CERTAIN FUNDS HELD UNDER THE INDENTURE AND THE EARNINGS THEREON. THE BONDS SHALL NOT BE DEEMED TO BE A DEBT OF THE COMMONWEALTH AND SHALL NOT BE AN OBLIGATION OF THE COMMISSION PAYABLE FROM ANY SOURCE EXCEPT THAT PORTION OF THE OIL FRANCHISE TAX PAID TO THE COMMISSION OR THE TRUSTEE BY THE COMMONWEALTH AND CERTAIN FUNDS HELD UNDER THE INDENTURE AND THE EARNINGS THEREON.**

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Bond Registrar or its Agent.

IN WITNESS WHEREOF, the Pennsylvania Turnpike Commission has caused this Bond to be executed in its name by the facsimile signatures of the Governor of the Commonwealth and the Chairman of said Commission, and a facsimile of the official seal of said Commission to be affixed hereto and attested by the manual signature of the Secretary and Treasurer of said Commission.



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Governor,  
Commonwealth of Pennsylvania

ATTEST:

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Chairman,  
Pennsylvania Turnpike Commission

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Secretary and Treasurer,  
Pennsylvania Turnpike Commission

(SEAL)