

**SUPPLEMENTAL TRUST INDENTURE NO. 24**

Dated as of January 1, 2017

by and between

PENNSYLVANIA TURNPIKE COMMISSION

and

WELLS FARGO BANK, N.A.,  
as Trustee

Supplementing

SUBORDINATE TRUST INDENTURE

Dated as of April 1, 2008

Securing

\$284,275,000

Pennsylvania Turnpike Commission  
Turnpike Subordinate Revenue Bonds,  
Series A of 2017

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EXHIBIT A, FORM OF 2017A SUBORDINATE BOND

## SUPPLEMENTAL TRUST INDENTURE NO. 24

This SUPPLEMENTAL TRUST INDENTURE NO. 24 (this “Supplemental Indenture No. 24”) is dated as of January 1, 2017, by and between PENNSYLVANIA TURNPIKE COMMISSION (the “Commission”), an instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”), and WELLS FARGO BANK, N.A., as Trustee (the “Trustee”), a national banking association organized and existing under the laws of the United States of America.

### RECITALS:

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

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

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

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

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

WHEREAS, the execution and delivery of this Supplemental Indenture No. 24 have been duly authorized by a resolution of the Commission adopted on August 23, 2016; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the Commonwealth and by the rules and regulations of the Commission to happen, exist and

be performed precedent to and in connection with the execution and delivery of this Supplemental Indenture No. 24 have happened, exist and have been performed as so required, in order to make this Supplemental Indenture No. 24 a valid and binding instrument for the security of the 2017A Subordinate Bonds (as hereinafter defined) in accordance with their terms; and

WHEREAS, the Commission has by resolution, pursuant to the provisions of Section 2.13 of the Subordinate Indenture, duly authorized the issuance of the 2017A Subordinate Bonds to be issued pursuant to this Supplemental Indenture No. 24; and

WHEREAS, the Commission has determined to issue its bonds pursuant to this Supplemental Indenture No. 24, designated as the "Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Series A of 2017" (the "2017A Subordinate Bonds") issued in the aggregate principal amount of \$284,275,000; and

WHEREAS, the Commission is issuing the 2017A Subordinate Bonds to finance a portion of the costs of (i) making Payments to PennDOT in accordance with Act 44 and Act 89, including reimbursing the Commission for certain Payments previously made by the Commission to PennDOT, to fund (a) certain grants to mass transit agencies and (b) various multi-modal capital projects (collectively, the "2017A Subordinate Bonds Capital Improvements Project"), (ii) funding necessary reserves to the extent required for such financing, and (iii) paying the costs of issuing the 2017A Subordinate Bonds (collectively the "2017A Subordinate Bonds Project"); and

WHEREAS, the scheduled payment of principal of and interest on the 2017A Subordinate Bonds maturing on December 1, 2037 in the principal amount of \$26,800,000 (the "Insured Bonds") when due are guaranteed under an insurance policy (the "Insurance Policy") issued concurrently with the delivery of the 2017A Bonds by Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof (the "Insurer"); and

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

WHEREAS, all things have been done that are necessary for making the 2017A Subordinate Bonds, when authenticated and issued as provided in the Subordinate Indenture, the valid, binding and legal obligations of the Commission according to the import thereof, and for the creation, execution and delivery of this Supplemental Indenture No. 24.

**NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE**

**WITNESSETH:**

In addition to the granting clauses set forth in the Subordinate Indenture, and as from time to time further amended and supplemented, the Commission, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the 2017A Subordinate Bonds by the Owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure

the payment of the principal of, premium, if any, and interest on, the 2017A Subordinate Bonds according to their tenor and effect, and to secure the performance and observance by the Commission of all the covenants expressed or implied herein and in the 2017A Subordinate Bonds, does hereby sell, assign, transfer, set over and pledge to the Trustee, its successors in the trust and to its and their assigns forever, to the extent provided in the Subordinate Indenture, a security interest in all right, title and interest of the Commission in and to, the Trust Estate (as defined in the Subordinate Indenture);

TO HAVE AND TO HOLD all and singular the Trust Estate whether now owned or hereafter acquired unto the Trustee and its respective successors in trust and assigns forever, so that the principal of, premium, if any, and interest on all 2017A Subordinate Bonds shall be secured hereby, except as may be otherwise provided in the Subordinate Indenture (as hereinafter defined).

## ARTICLE I - DEFINITIONS

### SECTION 1.01 Additional Definitions.

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

**“Authorized Denominations”** shall mean with respect to the 2017A Subordinate Bonds, \$5,000 and any integral multiple thereof.

**“Bond Register”** means the registration books of the Commission kept by the Trustee to evidence the registration and transfer of 2017A Subordinate Bonds.

**“Bond Registrar”** means the Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Supplemental Indenture No. 24.

**“Bondowner,” “Holder,” “Owner” or “Registered Owner”** means the Person in whose name a 2017A Subordinate Bond is registered on the Bond Register.

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

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

**“Closing Statement”** shall have the meaning set forth in Section 5.01.

“**Dated Date**” shall mean the date set forth on the face of a 2017A Subordinate Bond and determined as set forth in Section 2.02(d).

“**Defaulted Interest**” means interest on any 2017A Subordinate Bonds which is payable but not paid on the date due.

“**Interest Payment Date**” means, with respect to 2017A Subordinate Bonds, each June 1 and December 1, commencing on June 1, 2017.

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

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

“**Paying Agent**” means Wells Fargo Bank, N.A., and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by this Supplemental Indenture No. 24 or any other Supplemental Indenture as paying agent for the 2017A Subordinate Bonds at which the principal of and redemption premium, if any, and interest on such 2017A Subordinate Bonds shall be payable.

“**Principal Office**” means, with respect to any entity performing functions under this Supplemental Indenture No. 24, the designated office of that entity or its affiliate at which those functions are performed.

“**Rating Agency**” means each nationally recognized securities rating agency then maintaining a rating on the 2017A Subordinate Bonds at the request of the Commission, and initially means Fitch and Moody’s.

“**Representative**” means Loop Capital Markets LLC and its successors and assigns.

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

“**Series**” means the Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Series A of 2017.

“**Series Issue Date**” shall have the meaning provided in Section 2.02(d)(i) hereof.

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

“**Subordinate Indenture**” means the Subordinate Trust Indenture dated as of April 1, 2008 between the Commission and Wells Fargo Bank, N.A., as trustee, as amended and

supplemented through the date hereof, and by this Supplemental Indenture No. 24, and as it may be further amended and supplemented from time to time.

**“Tax Agreement”** means the Tax Regulatory Agreement and Non-Arbitrage Certificate executed and delivered by the Commission containing representations and covenants regarding the preservation of the tax-exempt status of the interest on the 2017A Subordinate Bonds, the investment of proceeds of the 2017A Subordinate Bonds, and the calculation and payment of rebate amounts under Section 148(f) of the Code.

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

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

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

In this Supplemental Indenture No. 24, unless otherwise indicated, (i) defined terms may be used in the singular or the plural, (ii) the use of any gender includes all genders, (iii) the words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the forms of 2017A Subordinate Bonds) refer to this Supplemental Indenture No. 24, and (iv) all references to particular Articles or Sections are references to the Articles or Sections of this Supplemental Indenture No. 24 unless otherwise specified. References to any time of the day in this Supplemental Indenture No. 24 shall refer to eastern standard time or eastern daylight saving time, as in effect in the City of New York, New York on such day. All references to rating categories established by a Rating Agency shall be without reference to subcategories.

### ARTICLE II - 2017A SUBORDINATE BONDS

#### SECTION 2.01 Amount of Bonds; Purpose.

An aggregate principal amount of \$284,275,000 of 2017A Subordinate Bonds, substantially in the form of 2017A Subordinate Bonds attached to this Supplemental Indenture No. 24 as Exhibit A are authorized for issuance pursuant to this Supplemental Indenture No. 24, all of which will be issued on the Series Issue Date. The 2017A Subordinate Bonds shall be issued and secured under this Supplemental Indenture No. 24 for the purposes set forth in the Recitals.

#### SECTION 2.02 Designation, Denominations, Maturity Dates and Interest.

(a) The 2017A Subordinate Bonds shall be designated “Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Series A of 2017.”

(b) The 2017A Subordinate Bonds shall be issuable only in Authorized Denominations.



(c) The 2017A Subordinate Bonds shall mature pursuant to the following schedule and shall bear interest at the annual rates set forth in the following schedule, subject to prior redemption as provided in Article VI or in the form of 2017A Subordinate Bonds attached to this Supplemental Indenture No. 24 as Exhibit A.

| <u>Maturity Date</u><br>(December 1) | <u>Principal Amount</u> | <u>Interest Rate</u> |
|--------------------------------------|-------------------------|----------------------|
| 2021                                 | \$445,000               | 5.000%               |
| 2022                                 | \$950,000               | 5.000%               |
| 2023                                 | \$1,495,000             | 5.000%               |
| 2024                                 | \$2,080,000             | 5.000%               |
| 2025                                 | \$2,715,000             | 5.000%               |
| 2026                                 | \$3,390,000             | 5.000%               |
| 2027                                 | \$4,120,000             | 5.000%               |
| 2028                                 | \$4,905,000             | 5.000%               |
| 2029                                 | \$5,740,000             | 5.000%               |
| 2030                                 | \$6,545,000             | 5.000%               |
| 2031                                 | \$7,430,000             | 5.000%               |
| 2032                                 | \$8,425,000             | 5.000%               |
| 2033                                 | \$9,490,000             | 4.000%               |
| 2034                                 | \$10,530,000            | 4.000%               |
| 2035                                 | \$11,625,000            | 4.000%               |
| 2037                                 | \$26,800,000            | 4.000%               |
| 2042                                 | \$93,650,000            | 5.500%               |
| 2046                                 | \$83,940,000            | 5.500%               |

(d) (i) The 2017A Subordinate Bonds shall have a Series Issue Date which shall be January 26, 2017, the date of original issuance and first authentication and delivery against payment therefor, and which shall be set forth on the face side of all 2017A Subordinate Bonds authenticated by the Authenticating Agent. 2017A Subordinate Bonds issued prior to the first Interest Payment Date following the Series Issue Date shall have a Dated Date of January 26, 2017. 2017A Subordinate Bonds issued on or subsequent to the first Interest Payment Date following the Series Issue Date shall have a Dated Date which is the same as the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication shall be an Interest Payment Date to which interest on the 2017A Subordinate Bonds has been paid in full or duly provided for, in which case they shall have a Dated Date which is the same as such date of authentication; provided that if, as shown by the records of the Paying Agent, interest on the 2017A Subordinate Bonds shall be in default, 2017A Subordinate Bonds issued in exchange for 2017A Subordinate Bonds surrendered for transfer or exchange shall have a Dated Date which is the same as the date to which interest has been paid in full on the 2017A Subordinate Bonds or, if no interest has been paid on the 2017A Subordinate Bonds, the Series Issue Date of the 2017A Subordinate Bonds.

(ii) The 2017A Subordinate Bonds shall bear interest from and including the Dated Date thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. Interest on the 2017A Subordinate Bonds shall be paid on each applicable Interest Payment Date. Each 2017A Subordinate Bond shall bear interest on overdue principal at the rate borne by such 2017A Subordinate Bond. Interest on the 2017A Subordinate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) The 2017A Subordinate Bonds are designated as "Debt Service Reserve Fund Bonds" for purposes of the Supplemental Indenture.

### ARTICLE III - ADDITIONAL BOND PROVISIONS

#### SECTION 3.01 Method and Place of Payment of 2017A Subordinate Bonds.

(a) All 2017A Subordinate Bonds shall provide that principal, or redemption price and interest in respect thereof shall be payable only out of the Trust Estate. The Commission shall cause a copy of the text of the opinion of Bond Counsel delivered in connection with the issuance of the 2017A Subordinate Bonds to be printed on or attached to such 2017A Subordinate Bonds, and shall cause to be placed on deposit with the Authenticating Agent executed counterparts of such opinion. The Authenticating Agent shall certify to the correctness of the copy appearing on the 2017A Subordinate Bonds by manual or facsimile signature. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the 2017A Subordinate Bonds. The 2017A Subordinate Bonds may bear an endorsement or legend satisfactory to the Paying Agent as may be required to conform to usage or law with respect thereto.

(b) The Commission hereby directs the Trustee to pay and deposit from funds available therefor under the Subordinate Indenture into the applicable sub-account of the Debt Service Fund such amounts as are necessary to pay interest, principal and premium, if any, on the 2017A Subordinate Bonds on each Interest Payment Date.

(c) Upon the execution and delivery hereof, the Commission shall execute the 2017A Subordinate Bonds and deliver them to the Authenticating Agent for authentication. At the direction of the Commission, the Authenticating Agent shall authenticate the 2017A Subordinate Bonds and deliver them to the purchasers thereof.

(d) The principal of and redemption premium, if any, and interest on the 2017A Subordinate Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(e) The principal of and the redemption premium, if any, on all 2017A Subordinate Bonds shall be payable by check or draft at maturity or upon earlier redemption, to the Persons in whose names such 2017A Subordinate Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such 2017A Subordinate Bonds at the Principal Office of the Trustee or of any Paying Agent named in the 2017A Subordinate Bonds.

(f) The interest payable on each 2017A Subordinate Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such 2017A Subordinate 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 2017A Subordinate Bonds are held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of 2017A Subordinate 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.

(g) Defaulted Interest with respect to any 2017A Subordinate Bond, shall cease to be payable to the Owner of such 2017A Subordinate Bond, on the relevant Record Date and shall be payable to the Owner in whose name such 2017A Subordinate 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 2017A Subordinate 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, in immediately available funds, equal to the aggregate amount proposed to be paid in respect

of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment; money deposited with the Trustee shall be held in trust for the benefit of the Owners of the 2017A Subordinate Bond entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds or upon satisfactory arrangement for the deposit of such funds, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Commission of such Special Record Date and, in the name and at the expense of the Commission, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner of a 2017A Subordinate 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 3.02 Execution and Authentication of 2017A Subordinate Bonds.

(a) The 2017A Subordinate Bonds shall be executed on behalf of the Commission by the manual or facsimile signature of the Chairman of the Commission and attested by the manual or facsimile signature of the Secretary, Assistant Secretary, Treasurer or Assistant Treasurer of the Commission, and shall have the corporate seal of the Commission affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any 2017A Subordinate Bond shall cease to be such officer, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any 2017A Subordinate Bond may be signed by such persons as at the actual time of the execution of such 2017A Subordinate Bond shall be the proper officers to sign such 2017A Subordinate Bond although at the date of such 2017A Subordinate Bond such persons may not have been such officers.

(b) The 2017A Subordinate Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in the applicable exhibit attached hereto, which shall be manually executed by the Trustee. No 2017A Subordinate Bond shall be entitled to any security or benefit under this Supplemental Indenture No. 24 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 2017A Subordinate Bond shall be conclusive evidence that such 2017A Subordinate Bond has been duly authenticated and delivered under this Supplemental Indenture No. 24. The Certificate of Authentication on any 2017A Subordinate 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 2017A Subordinate Bonds that may be issued hereunder at any one time.

#### SECTION 3.03 Registration, Transfer and Exchange of 2017A Subordinate Bonds.

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

(b) Any 2017A Subordinate 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 2017A Subordinate Bond a new 2017A Subordinate Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Supplemental Indenture No. 24 and of the same maturity and Series or Sub-Series, bearing interest at the same rate, and having the same current commencement date, if applicable.

(c) Any 2017A Subordinate 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 2017A Subordinate Bonds of the same maturity and Series or Sub-Series, of any denomination or denominations authorized by this Supplemental Indenture No. 24, bearing interest at the same rate.

(d) In all cases in which 2017A Subordinate Bonds shall be exchanged or transferred hereunder, the Commission shall execute and the Trustee shall authenticate and deliver at the earliest practicable time 2017A Subordinate Bonds in accordance with this Supplemental Indenture No. 24. All 2017A Subordinate 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 2017A Subordinate 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 2017A Subordinate Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Commission. In the event any Bondowner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondowner hereunder or under the 2017A Subordinate Bonds.

(f) As long as the 2017A Subordinate Bonds are "Book Entry Bonds" (as described in Article IV), the Trustee shall follow the procedures of the Securities Depository with respect to the transfer or exchange of the 2017A Subordinate Bonds. At such time as the 2017A Subordinate Bonds are no longer Book Entry Bonds, the Trustee shall not be required to exchange or register the transfer of Bonds after the giving of notice calling such Bond for redemption, in whole or in part.

(g) The Person in whose name any 2017A Subordinate Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner of such 2017A Subordinate Bond for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such 2017A Subordinate 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 2017A Subordinate Bond, including the interest thereon, to the extent of the sum or sums so paid.

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

#### SECTION 3.04 Temporary 2017A Subordinate Bonds.

(a) Until definitive 2017A Subordinate 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 2017A Subordinate Bonds, but subject to the same limitations and conditions as definitive 2017A Subordinate Bonds, temporary printed, engraved, lithographed or typewritten 2017A Subordinate Bonds.

(b) If temporary 2017A Subordinate Bonds shall be issued, the Commission shall cause the definitive 2017A Subordinate 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 2017A Subordinate Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive 2017A Subordinate Bond of the same Series and maturity and bearing interest at the same rate as the temporary 2017A Subordinate Bond surrendered. Until so exchanged the temporary 2017A Subordinate Bonds shall in all respects be entitled to the same benefit and security of this Supplemental Indenture No. 24 as the definitive 2017A Subordinate Bonds to be issued and authenticated hereunder.

#### SECTION 3.05 Mutilated, Lost, Stolen or Destroyed 2017A Subordinate Bonds.

In the event any 2017A Subordinate Bond shall become mutilated, or be lost, stolen or destroyed, the Commission shall execute and the Trustee shall authenticate and deliver a new 2017A Subordinate Bond of like Series, date and tenor as the 2017A Subordinate Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated 2017A Subordinate Bond, such mutilated 2017A Subordinate Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed 2017A Subordinate 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 2017A Subordinate Bond shall have matured or been selected for redemption, the Trustee in its discretion may, instead of issuing a new 2017A Subordinate Bond, pay, with funds available under this Supplemental Indenture No. 24 for such purpose, such 2017A Subordinate Bond without surrender thereof. Upon the issuance

of any substitute 2017A Subordinate Bond, the Commission and the Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Commission and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

**SECTION 3.06 Cancellation and Destruction of 2017A Subordinate Bonds Upon Payment.**

All 2017A Subordinate Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Supplemental Indenture No. 24, 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 2017A Subordinate Bonds and the surrender thereof to the Trustee.

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

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

(a) The 2017A Subordinate Bonds shall initially be "Book Entry Bonds" under the Subordinate Indenture, registered to Cede & Co., the nominee for the Securities Depository, in the form of one fully-registered bond for the aggregate principal amount of the 2017A Subordinate Bonds of each Series, maturity and interest rate, and no Beneficial Owner will receive certificates representing its interest in the 2017A Subordinate Bonds, except as described in Section 2.12 of the Subordinate Indenture. It is anticipated that during the term of the 2017A Subordinate Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the 2017A Subordinate Bonds to the Participants until and unless the Trustee authenticates and delivers certificates to the beneficial owners as described in Section 2.12 of the Subordinate Indenture.

(b) The provisions of Section 2.12 of the Subordinate Indenture shall apply to the 2017A Subordinate Bonds as Book Entry Bonds.

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

**SECTION 5.01 Establishment of 2017A Subordinate Bonds Clearing Fund.**

There is hereby established with the Trustee a fund to be designated the "2017A Subordinate Bonds Clearing Fund" and any accounts or sub-accounts thereof. The proceeds of the 2017A Subordinate Bonds specified below shall be deposited by the Trustee into the 2017A Subordinate Bonds Clearing Fund. The Trustee shall deposit therein any additional amounts required to be so deposited by the Commission. The Trustee shall deposit directly in the 2017A Subordinate Bonds Project Fund (as hereinafter defined), the sum of \$25,000,000.00 received by the Trustee from the Commission, for a portion of the payment due PennDOT on April 28, 2017, on or prior to April 26, 2017 and the Commission agrees to so pay the same by said date. The Trustee is authorized and directed:

(a) to transfer to the 2017A Subordinate Bonds Project Fund from a portion of the proceeds of the 2017A Subordinate Bonds and the amount set forth in a closing receipt or statement signed by a Commission Official (the "Closing Statement") and to initially invest such amount in such investments as instructed in writing by the Chief Financial Officer of the Commission;

(b) to transfer to the 2017A Subordinate Bonds Sub-Account of the Debt Service Reserve Fund from a portion of the proceeds of the 2017A Subordinate Revenue Bonds the amount set forth in the Closing Statement and to initially invest such amount in such investments as instructed in writing by the Chief Financial Officer of the Commission;

(c) to pay costs incurred by the Commission in connection with the issuance of the 2017A Subordinate Bonds ("Costs of Issuance") from the proceeds of the 2017A Subordinate Bonds including, but not limited to, those set forth in the Closing Statement. Issuance costs not paid pursuant to the Closing Statement shall be paid by the Trustee from proceeds of the 2017A Subordinate Bonds or moneys of the Commission at the written direction of the Commission.

Moneys remaining in the 2017A Subordinate Bonds Clearing Fund in the amount of \$20,280.88, consisting of \$20,280.88 from proceeds of the 2017A Subordinate Bonds, will remain in the 2017A Subordinate Bonds Clearing Fund for a period of thirty (30) days to pay any additional Costs of Issuance. After expiration of said thirty (30) day period, the balance of the above \$20,280.88, remaining after payment of any additional Costs of Issuance, shall be transferred to the 2017A Subordinate Bonds Interest Sub-Account of the Revenue Bonds Account of the Debt Service Fund.

#### SECTION 5.02 2017A Subordinate Bonds Project Fund.

There is hereby created a 2017A Subordinate Bonds Project Fund. On the Series Issue Date, the Commission shall cause to be deposited with the Trustee into the 2017A Subordinate Bonds Project Fund the amount set forth in the Closing Statement and certain available monies of the Commission to pay for costs of the 2017A Subordinate Bonds Project. On January 26, 2017, the Trustee shall disburse \$87,500,000.00 to the Commission to reimburse it for the October 31, 2016 payment previously made by the Commission to PennDOT, on January 30, 2017, or upon receipt of written direction from the Commission, the Trustee shall disburse \$112,500,000.00 to PennDOT to pay the Payment due on January 31, 2017, and on April 26, 2017, or upon written direction from the Commission, the Trustee shall disburse \$112,500,000.00 to PennDOT to pay the payment due on April 28, 2017, pursuant to the Funding Agreement.

#### SECTION 5.03 2017A Subordinate Bonds Sub-Account of the Debt Service Reserve Fund.

There is hereby created a 2017A Subordinate Bonds Sub-Account of the Debt Service Reserve Fund for the purposes set forth in Section 4.07 of the Subordinate Indenture. The amounts set forth in the 2017A Subordinate Bonds Sub-Account, together with the existing balance in the Debt Service Reserve Fund, will be sufficient to fulfill the



Debt Service Reserve Fund Requirement of the Subordinate Indenture with respect to the 2017A Subordinate Bonds and all outstanding Debt Service Reserve Fund Bonds.

SECTION 5.04 2017A Subordinate Bonds Interest and Principal Sub-Accounts of the Revenue Bonds Account of the Debt Service Fund.

There are hereby created a 2017A Subordinate Bonds Interest Sub-Account and a 2017A Subordinate Bonds Principal Sub-Account of the Revenue Bonds Account of the Debt Service Fund for deposit and disbursement of funds for interest and principal payments on the 2017A Subordinate Bonds pursuant to Sections 4.01(b)(1), 4.01(b)(2), and 4.06 of the Subordinate Indenture.

SECTION 5.05 2017A Subordinate Bonds Rebate Fund.

Upon Written Request of the Commission, the Trustee shall establish a fund within the Rebate Fund established pursuant to the Subordinate Indenture to be designated the "2017A Subordinate Bonds Rebate Fund" which shall be held separate and apart from all other funds and accounts established under the Subordinate Indenture. The Trustee shall make deposits to and disbursements from the 2017A Subordinate Bonds Rebate Fund in accordance with the Tax Agreement and shall invest the 2017A Subordinate Bonds Rebate Fund pursuant to the written instructions given to it by the Chief Financial Officer of the Commission. The immediately preceding sentence of this Section 5.05 may be superseded or amended by a new Tax Agreement delivered by the Commission and accompanied by an opinion of Bond Counsel addressed to the Trustee to the effect that the use of such new Tax Agreement will not cause the interest on the 2017A Subordinate Bonds to become includable in gross income of the recipient thereof for purposes of federal income taxation under Section 103 of the Code.

SECTION 5.06 Investment of Funds.

Moneys on deposit with respect to the 2017A Subordinate Bonds in funds or accounts established pursuant to this Article V shall be invested solely in Permitted Investments to the extent permitted by applicable law and as provided in Section 5.02 of the Subordinate Indenture.

SECTION 5.07 Investment Earnings.

As provided in Section 5.02 of the Subordinate Indenture, the interest or income received on an investment shall remain in the fund or account to which the investment is credited; however, interest or income received on investments credited to the 2017A Subordinate Bonds Project Fund shall be transferred to the 2017A Subordinate Bonds Interest Sub-Account.

ARTICLE VI - REDEMPTION OF 2017A SUBORDINATE BONDS

SECTION 6.01 Optional Redemption.

(a) The 2017A Subordinate Bonds maturing on or after December 1, 2027, are subject to redemption prior to maturity at the option of the Commission at any time on or after December 1, 2026, as a whole or in part by lot at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

SECTION 6.02 Mandatory Sinking Fund Redemption.

(a) The 2017A Subordinate Bonds (term bonds) maturing on December 1, 2037, December 1, 2042, and December 1, 2046 shall be subject to mandatory sinking fund redemption prior to maturity by the Commission in part on December 1 of the respective years and in the principal amounts each year set forth in the table below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

**2017A Subordinate Bonds (term bonds)**  
**maturing December 1, 2037**

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2036        | \$12,785,000  |
| 2037*       | 14,015,000    |

\* Final Maturity

**2017A Subordinate Bonds (term bonds)**  
**maturing December 1, 2042**

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2038        | \$15,310,000  |
| 2039        | 16,905,000    |
| 2040        | 18,615,000    |
| 2041        | 20,435,000    |
| 2042*       | 22,385,000    |

\* Final Maturity

**2017A Subordinate Bonds (term bonds)**  
**maturing December 1, 2046**

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2043        | \$24,460,000  |
| 2044        | 26,675,000    |
| 2045        | 29,035,000    |
| 2046*       | 3,770,000     |

\* Final Maturity

SECTION 6.03 Partial Redemption.

Except as to any mandatory sinking fund redemption of 2017A Subordinate Bonds as described above, any partial redemption may be in any order of maturity and in any principal amount within a maturity designated in writing by the Commission, and in the case of any 2017A Subordinate Bonds subject to mandatory redemption, the Commission shall be entitled to designate whether such payments shall be credited against principal amounts due at maturity or against particular scheduled mandatory redemption obligations with respect to such 2017A Subordinate Bonds.

SECTION 6.04 Redemption Process.

If the Trustee gives an unconditional notice of redemption, then on the redemption date the 2017A Subordinate Bonds called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected 2017A Subordinate Bonds, then on the redemption date the 2017A Subordinate Bonds called for redemption will become due and payable. In either case, if on the redemption date the Trustee holds money to pay the 2017A Subordinate Bonds called for redemption, thereafter, no interest will accrue on those 2017A Subordinate Bonds and a bondholder's only right will be to receive payment of the redemption price upon surrender of those 2017A Subordinate Bonds.

**ARTICLE VII – PROVISIONS RELATING TO BOND INSURANCE**

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

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

(a) If, on the third Business Day prior to the related scheduled Interest Payment Date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Subordinate

Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

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

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

(d) Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of the Insured Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Insured Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Insured Bondholders in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections hereof regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Commission agrees to pay the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per

annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime rate or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Commission hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Insured Bonds.

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

#### SECTION 7.02 Information to the Insurer.

The Insurer shall be provided with the following information by the Commission, Trustee or Payment Agent, as the case may be:

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

(b) Notice of any draw upon the 2017A Subordinate Revenue Bonds Sub-Account of the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Insured Bonds;

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

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

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

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

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

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

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

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

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

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

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

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

(e) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director U Surveillance, Re: Policy No. 218056-N, Telephone: (212) 974-0100; Telecopier: (212) 688-3101. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

#### SECTION 7.04 Defeasance Provisions.

(a) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is a real party in interest and has a right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated,

(4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof shall be used to effect defeasance of the Insured Bonds unless the Insurer otherwise approves.

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

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

#### SECTION 7.05 Swap Agreement.

Notwithstanding any other provision of the Subordinate Indenture to the contrary, so long as the Insurance Policy is in full force and effect, any interest rate exchange agreement ("Swap Agreement") entered into by the Commission and relating to the Insured Bonds, payable from and secured by the Commission Payments shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (c) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component of greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Insured Bonds and on any debt on parity with the Insured Bonds. Scheduled Payments may be on parity with the debt service on the Insured Bonds. The Commission shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Commission to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by S&P and Moody's. If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be reasonably acceptable to the Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to

the Insurer, shall be required. This paragraph does not apply to any Swap Agreement secured under the Commission's Senior Indenture.

SECTION 7.06 Miscellaneous Bond Insurance Provisions.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the 2017A Subordinate Bonds Sub-Account of the Debt Service Reserve Fund.

(b) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the 2017A Subordinate Bonds insured by it are entitled to take pursuant to the Subordinate Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Insured Bond, the Trustee and each holder of an Insured Bond appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the Commission under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct, as to solely with respect to the Insured Bonds and the holders of such bonds, all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Paying Agent and each Insured Bondholder delegate and assign to the Insurer (with respect to the Insured Bonds only), to the fullest extent permitted by law, the rights of the Trustee and each Insured Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

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

(d) The Insurer is hereby made a third party beneficiary to the Subordinate Indenture.

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

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



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

(h) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Subordinate Indenture and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Commission in accordance with the Subordinate Indenture. The Subordinate Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(i) The Commission covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

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

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

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

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

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

(o) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Subordinate Indenture would adversely affect the security of the Insured Bonds or the rights of the Insured Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

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

## ARTICLE VIII - MISCELLANEOUS

### SECTION 8.01 Payment of Principal of and Interest on 2017A Subordinate Bonds.

The Commission shall promptly pay or cause to be paid the principal, or redemption price of, and the interest on, every 2017A Subordinate Bond issued hereunder according to the terms thereof, but shall be required to make such payment or cause such payment to be made only from the Trust Estate.

### SECTION 8.02 Corporate Existence; Compliance with Laws.

The Commission shall maintain its corporate existence; shall use its best efforts to maintain and renew all its rights, powers, privileges and franchises; and shall comply with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any legislative, executive, administrative or judicial body relating to the Commission's participation in the 2017A Subordinate Bonds Project or the issuance of the 2017A Subordinate Bonds.

SECTION 8.03 Further Assurances.

Except to the extent otherwise provided in this Supplemental Indenture No. 24, the Commission shall not enter into any contract or take any action by which the rights of the Trustee or the 2017A Subordinate Bondowners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Supplemental Indenture No. 24.

SECTION 8.04 2017A Subordinate Bonds Not to Become Arbitrage Bonds.

The Commission covenants to the Holders of the 2017A Subordinate Bonds that, notwithstanding any other provision of this Supplemental Indenture No. 24 or any other instrument, it will not make any investment or other use of the proceeds of the 2017A Subordinate Bonds which, if such investment or use had been reasonably expected on the Series Issue Date, would have caused such 2017A Subordinate 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 2017A Subordinate Bonds to all funds and accounts created under this Supplemental Indenture No. 24 and all moneys on deposit to the credit of any such fund or account, and to any other amounts which are 2017A Subordinate Bond proceeds for purposes of Section 148 of the Code and the rules and regulations thereunder.

SECTION 8.05 Financing Statements.

The Commission may cause financing statements relating to this Supplemental Indenture No. 24 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 2017A Subordinate Bonds and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof. From time to time, the Trustee may, but shall not be required to, obtain an Opinion of Counsel setting forth what, if any, actions by the Commission or Trustee should be taken to preserve such security. The Commission shall execute or cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the 2017A Subordinate Bondowners, and shall furnish satisfactory evidence to the Trustee of filing and refiling of such instruments and of every additional instrument which shall be necessary to preserve the security of the 2017A Subordinate Bondowners 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 2017A Subordinate Bonds issued hereunder shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instruments and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an Opinion of Counsel will preserve such security and right, title and interest until the aforesaid principal and interest shall have been paid.

SECTION 8.06 No Rights Conferred on Others.

Subject to Section 7.06 (d) above, nothing herein contained shall confer any right upon any person other than the parties hereto and the Owners of the 2017A Subordinate Bonds.

SECTION 8.07 Illegal and Other Provisions Disregarded.

In case any provision in this Supplemental Indenture No. 24 or the 2017A Subordinate Bonds shall for any reason be held invalid, illegal or unenforceable in any respect, this Supplemental Indenture No. 24 shall be construed as if such provision were not included herein.

SECTION 8.08 Notices.

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

If to the Commission: Pennsylvania Turnpike Commission  
700 South Eisenhower Boulevard  
Middletown, PA 17057  
Fax No.: (717) 986-8754

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

If to the Trustee: Wells Fargo Bank, N.A.  
123 S. Broad Street, Suite 1500  
Philadelphia, PA 19109  
Attention: Darlene Dimter, Corporate Trust  
Department  
Fax No.: (877) 775-7570

If to the Insurer: As provided in Section 7.03(e) hereof.

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

SECTION 8.09 Successors and Assigns.

All the covenants, promises and agreements in this Supplemental Indenture No. 24 contained by or on behalf of the Commission, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not. The Insurer shall be a third-party beneficiary hereof.

SECTION 8.10 Headings for Convenience Only.

The descriptive headings in this Supplemental Indenture No. 24 are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 8.11 Counterparts.

This Supplemental Indenture No. 24 may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 8.12 Information Under Uniform Commercial Code.

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

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

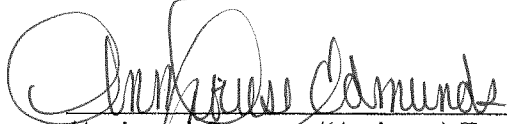
SECTION 8.13 Applicable Law.

This Supplemental Indenture No. 24 shall be governed by and construed in accordance with the laws of the Commonwealth.

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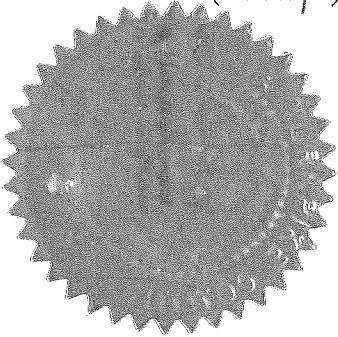
IN WITNESS WHEREOF, the Pennsylvania Turnpike Commission has caused this Supplemental Indenture No. 24 to be executed on behalf of the Commission by its Chief Financial Officer and attested by its (Assistant) Secretary/(Assistant) Treasurer or other authorized officer, and Wells Fargo Bank, N.A., as Trustee, has caused this Supplemental Indenture No. 24 to be executed by one of its Authorized Officers and attested by one of its Authorized Officers all as of the day and year first above written.

ATTEST:

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

**PENNSYLVANIA TURNPIKE  
COMMISSION**

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



ATTEST:

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

**WELLS FARGO BANK, N.A.,**  
as Trustee

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

**IN WITNESS WHEREOF**, the Pennsylvania Turnpike Commission has caused this Supplemental Indenture No. 24 to be executed on behalf of the Commission by its Chief Financial Officer and attested by its (Assistant) Secretary/(Assistant) Treasurer or other authorized officer, and Wells Fargo Bank, N.A., as Trustee, has caused this Supplemental Indenture No. 24 to be executed by one of its Authorized Officers and attested by one of its Authorized Officers all as of the day and year first above written.

ATTEST:

**PENNSYLVANIA TURNPIKE  
COMMISSION**

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

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

[SEAL]

**WELLS FARGO BANK, N.A.,**  
as Trustee

ATTEST:

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

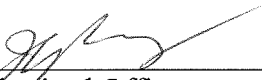
By:   
\_\_\_\_\_  
Authorized Officer

EXHIBIT A

FORM OF 2017A SUBORDINATE BOND



NO. A \_\_\_\_\_

\$ \_\_\_\_\_

**PENNSYLVANIA TURNPIKE COMMISSION  
TURNPIKE SUBORDINATE REVENUE BOND  
SERIES A OF 2017**

| <u>SERIES ISSUE</u><br><u>DATE</u> | <u>DATED DATE</u> | <u>MATURITY</u><br><u>DATE</u> | <u>CUSIP</u> |
|------------------------------------|-------------------|--------------------------------|--------------|
| January 26, 2017                   | January 26, 2017  | December 1, _____              | _____        |

INTEREST RATE: \_\_\_\_\_%

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_

Pennsylvania Turnpike Commission (the "Commission"), an instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby promises to pay 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 Wells Fargo Bank, N.A., Philadelphia, Pennsylvania, as Trustee (the "Trustee") under a Subordinate Trust Indenture dated as of April 1, 2008 between the Commission and the Trustee, as amended and supplemented, including by that certain Supplemental Trust Indenture No. 24 dated as of January 1, 2017 (the "Supplemental Indenture No. 24") (collectively, the "Subordinate Indenture"), and to pay by check or draft drawn on Wells Fargo Bank, N.A., as paying agent (the "Paying Agent"), interest on such principal sum, at the interest rate stated hereon, from the June 1 and December 1, commencing June 1, 2017, (each hereinafter referred to as an "Interest Payment Date") next preceding the date hereof unless (i) this 2017A Subordinate Bond (as hereinafter defined) shall be authenticated after a Record Date (as hereinafter defined) and on or before the next succeeding Interest Payment Date, in which case this 2017A Subordinate Bond shall bear interest from such next succeeding Interest Payment Date, or (ii) this 2017A Subordinate Bond shall be authenticated before the first Interest Payment Date, in which case this 2017A Subordinate Bond shall bear interest from the Series Issue Date, payable June 1, 2017, and semiannually on each Interest Payment Date thereafter until the obligation with respect to the payment of such principal shall be discharged, but only in the case of interest due at or before maturity, to the person in whose name this 2017A Subordinate Bond shall be registered at the close of business on the Record Date for such interest, which shall be the fifteenth day of the calendar month immediately preceding such Interest Payment Date. Any interest not paid on an Interest Payment Date shall be paid to the persons in whose names the 2017A Subordinate Bonds are registered as of a Special Record Date established by the Trustee, and notice of which shall be mailed, as set forth in Supplemental Indenture No. 24.

The interest payable on each 2017A Subordinate Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such 2017A Subordinate 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 2017A Subordinate Bonds are held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of 2017A Subordinate 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.

Terms not otherwise defined herein shall have the meanings set forth in the Subordinate Indenture and Supplemental Indenture No. 24.

THIS 2017A SUBORDINATE BOND IS A LIMITED OBLIGATION OF THE COMMISSION AND IS PAYABLE SOLELY FROM THE SOURCES REFERRED TO HEREIN. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THIS 2017A SUBORDINATE BOND. THIS 2017A SUBORDINATE BOND SHALL NOT BE OR BE DEEMED AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. THE COMMONWEALTH IS NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY THE PRINCIPAL, INTEREST OR REDEMPTION PRICE OF THE 2017A SUBORDINATE BONDS OR TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE 2017A SUBORDINATE BONDS. THE COMMISSION HAS NO TAXING POWER.

This 2017A Subordinate Bond is one of a duly authorized issue of bonds of the Commission designated "Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds, Series A of 2017" in the aggregate principal amount of \$284,275,000 (the "2017A Subordinate Bonds"), pursuant to an Act of the General Assembly of the Commonwealth of Pennsylvania approved July 18, 2007, P.L. 169, No. 4007-44 ("Act 44") and various other Acts of the General Assembly approved on several dates, including the Act of May 24, 1937, P.L. 774, Act 241; the Act of May 24, 1945, P.L. 972; the Act of February 26, 1947, P.L. 17; the Act of May 23, 1951, P.L. 335; the Act of August 14, 1951, P.L. 1232; and the Act of September 30, 1985, P.L. 240, No. 61 to the extent not repealed by Act 44, and the Act of General Assembly of Pennsylvania approved on November 25, 2013, P.L. 974, No. 89 ("Act 89") (collectively called, the "Enabling Acts"), under and pursuant to resolutions of the Commission and under and pursuant to the Subordinate Indenture, to finance the costs of (i) making Payments to PennDOT in accordance with Act 44 and Act 89, including reimbursing the Commission for certain Payments previously made by the Commission to PennDot, to fund (a) certain grants to mass transit agencies and (b) various multimodal transportation projects, (ii) funding necessary reserves to the extent required for such financing, and (iii) paying the costs of issuing the 2017A Subordinate Bonds.

The Subordinate Indenture authorizes the issuance of Pennsylvania Turnpike Commission Turnpike Subordinate Revenue Bonds ("Revenue Bonds," as more fully defined in the Subordinate Indenture).

An executed counterpart of the Subordinate Indenture is on file at the office of the Commission and at the designated corporate trust offices of the Trustee and the Paying Agent. Reference is hereby made to the Subordinate Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the 2017A Subordinate Bonds, the collection and disposition of Commission Payments (as defined in the Subordinate Indenture), the funds charged with and pledged to the payment of the interest on, the principal of and the premium, if any, on the 2017A Subordinate Bonds, the nature and extent of the security, the terms and conditions on which the 2017A Subordinate Bonds are issued, the rights, duties and obligations of the Commission and the Trustee and the rights of the owners of the 2017A Subordinate Bonds. By the acceptance of this 2017A Subordinate Bond, the registered owner hereof and, if a book entry system is being used for the 2017A Subordinate Bonds, any participant in the owner and any person claiming a beneficial interest under or through such owner or participant assents to all of the provisions of the Subordinate Indenture.

Whenever the due date for payment of interest or principal of the 2017A Subordinate Bonds or the date fixed for redemption of any 2017A Subordinate Bond shall be a Saturday, a Sunday, a legal holiday or a day on which the Trustee or the Paying Agent is authorized by law to close, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, a Sunday, a legal holiday, or a day on which the Trustee or the Paying Agent is authorized by law to close, with the same force and effect as if made on the due date for payment of principal, interest or redemption price, and no interest shall accrue thereon for any period after such due date. Principal of, premium, if any, and interest on this 2017A Subordinate Bond are payable only from moneys deposited or to be deposited under the Subordinate Indenture, in such coin or currency of the United States of America as at the time and place of payment is legal tender for payment of public and private debts.

The Subordinate Indenture provides for the issuance, under the conditions, limitations and restrictions therein set forth, of additional Revenue Bonds, Revenue Bonds Parity Obligations, Special Revenue Bonds, Special Revenue Bonds Parity Obligations, Subordinate Indenture Bonds and Subordinate Indebtedness (each as described in the Subordinate Indenture) for the purposes set forth therein.

The 2017A Subordinate Bonds are secured as set forth in the Subordinate Indenture and herein together with all other Revenue Bonds issued or to be issued in the future pursuant to the Subordinate Indenture, by a pledge by the Commission of the Trust Estate (as defined in the Subordinate Indenture).

The 2017A Subordinate Bonds are "Debt Service Reserve Fund Bonds" for purposes of the Subordinate Indenture.

The Commission covenants in the Subordinate Indenture that it will establish and maintain schedules of Tolls (as defined in the Subordinate Indenture) for traffic over the System (as defined in the Subordinate Indenture) as required by the Senior Indenture (as such term is defined in the Subordinate Indenture) and, in addition, so that the amount paid into the General Reserve Fund of the Senior Indenture in each Fiscal Year and for each Commission Payment, will be at least sufficient to provide funds in an amount not less than: (1) 115% of the Annual

Debt Service for such Fiscal Year on account of all Outstanding Revenue Bonds and Revenue Bonds Parity Obligations; plus (2) 100% of the Annual Debt Service for such Fiscal Year on account of all Outstanding Special Revenue Bonds, Special Revenue Bonds Parity Obligations and Subordinated Indebtedness (all such terms as defined in the Subordinate Indenture); plus (3) any payment by the Commission required by Section 4.07 of the Subordinate Indenture for restoring any deficiency in the Debt Service Reserve Fund.

The 2017A Subordinate Bonds are issuable in the form of registered bonds in denominations of \$5,000 each or any integral multiple thereof. Subject to the conditions and upon payment of the charges, if any, provided in the Subordinate Indenture, this 2017A Subordinate Bond, upon surrender hereof at the designated corporate trust office of the Subordinate Indenture Bond Registrar in Minneapolis, Minnesota, with a written instrument of transfer satisfactory to the Subordinate Indenture Bond Registrar duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of 2017A Subordinate Bonds of any other authorized denomination of the same maturity.

Optional Redemption. The 2017A Subordinate Bonds maturing on or after December 1, 2027, are subject to redemption prior to maturity at the option of the Commission at any time on or after December 1, 2026, as a whole or in part at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The 2017A Subordinate Bonds maturing on December 1, 2037, December 1, 2042 and December 1, 2046 shall be subject to mandatory sinking fund redemption prior to maturity by the Commission in part on December 1 of the respective years and in the principal amounts each year set forth in the table below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

**2017A Subordinate Bonds (term bonds) maturing December 1, 2037**

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2036        | \$12,785,000  |
| 2037*       | \$14,015,000  |

\* Final Maturity

**2017A Subordinate Bonds (term bonds) maturing December 1, 2042**

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2038        | 15,310,000    |
| 2039        | 16,905,000    |
| 2040        | 18,615,000    |

|       |            |
|-------|------------|
| 2041  | 20,435,000 |
| 2042* | 22,385,000 |

\* Final Maturity

**2017A Subordinate Bonds (term bonds) maturing December 1, 2046**

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2043        | 24,460,000    |
| 2044        | 26,675,000    |
| 2045        | 29,035,000    |
| 2046*       | 3,770,000     |

\* Final Maturity

Except as to any mandatory sinking fund redemption of 2017A Subordinate Bonds as described above, any partial redemption of the 2017A Subordinate Bonds may be in any order of maturity and interest rate and in any principal amount within a maturity and interest rate as designated in writing by the Commission, and in the case of any 2017A Subordinate Bonds subject to mandatory redemption, the Commission shall be entitled to designate whether such payments shall be credited against principal amounts due at maturity or against particular scheduled mandatory redemption obligations with respect to such 2017A Subordinate Bonds. The particular 2017A Subordinate Bonds within a maturity and interest rate of a Sub-Series to be redeemed shall be determined by the Trustee by lot.

Notices of Redemption shall be provided in accordance with Section 3.02 of the Subordinate Indenture. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the redemption price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied or if any such other event occurs. If notice of redemption shall have been given as aforesaid, then the 2017A Subordinate Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the redemption price, plus interest accrued and unpaid up to but not including the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such 2017A Subordinate Bonds or portions thereof, shall be paid at the redemption price plus interest accrued and unpaid up to but not including the redemption date, and, from and after the redemption date interest on such 2017A Subordinate Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Any redemption notice or other notices required by the Subordinate Indenture shall be sent only to the Securities Depository, initially Cede & Co., as nominee of DTC, so long as the 2017A Subordinate Bonds are held in book entry only form.

The owner of this 2017A Subordinate Bond by the acceptance hereof specifically agrees that the Trustee shall be under no obligation to take any action with respect to any Event of

Default occurring under the terms of this 2017A Subordinate Bond or the Subordinate Indenture, other than to give notice of certain defaults as provided in the Subordinate Indenture, unless requested so to do in writing by the owners of not less than a majority in principal amount of the Revenue Bonds then Outstanding under the Subordinate Indenture and upon receipt of satisfactory indemnity as provided in the Subordinate Indenture.

The owner of this 2017A Subordinate Bond shall have no right to enforce the provisions of the Subordinate Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Subordinate Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Subordinate Indenture.

All acts, conditions and things required by the constitution and statutes of the Commonwealth and the rules and regulations of the Commission to happen, exist and be performed precedent to and in the issuance of this 2017A Subordinate Bond and the execution of the Subordinate Indenture, including Supplemental Indenture No. 24, have happened, exist and have been performed as so required.

No recourse shall be had for the payment of the principal or redemption price of, or interest on, this 2017A Subordinate Bond, or for any claim based hereon or on the Subordinate Indenture, against any member, director, officer or employee, past, present or future, of the Commission or of any successor body, as such, either directly or through the Commission or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

To the extent and in the manner permitted by the terms of the Subordinate Indenture, modification or amendment of the Subordinate Indenture and of the rights and obligations of the Commission and of the Owners of the 2017A Subordinate Bonds may be made by a Supplemental Subordinate Indenture, in certain instances without the written consent of the Owners of the 2017A Subordinate Bonds. Reference is made to the Subordinate Indenture for the terms and provisions thereof relating to amendments and supplements.

The registration of this 2017A Subordinate Bond is transferable, as provided in the Subordinate Indenture, only upon the books of the Commission kept for that purpose at the above mentioned office of the Trustee by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this 2017A Subordinate Bond together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new registered 2017A Subordinate Bond or 2017A Subordinate Bonds in the same aggregate principal amount, sub-series, interest rate and maturity shall be issued to the transferee in exchange therefor as provided in the Subordinate Indenture, and upon payment of the charges therein prescribed. The Commission and each fiduciary, including the Trustee and any Paying Agent, may deem and treat the person in whose name this 2017A Subordinate Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

The 2017A Subordinate Bonds are issued by means of a book-entry-only system, with no physical distribution of bond certificates to be made except as provided in the Subordinate Indenture. One or more bond certificates for each maturity, registered in the name of the Securities Depository nominee, is being issued for deposit with the Securities Depository and immobilized in its custody. The book-entry-only system will evidence positions held in the 2017A Subordinate Bonds by the Securities Depository's participants; beneficial ownership of the 2017A Subordinate Bonds, in the principal amount of \$5,000 or any integral multiple thereof, shall be evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Commission and the Trustee will recognize the Securities Depository nominee, while the Registered Owner of this 2017A Subordinate Bond, as the owner of this 2017A Subordinate Bond for all purposes, including payments of principal of and redemption price and interest on this Bond, notices and voting. Transfers of principal, interest and any redemption price payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfers of principal, interest and any redemption price payments to beneficial owners of the 2017A Subordinate Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. Neither the Commission nor the Trustee will be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this 2017A Subordinate Bond, notwithstanding any provisions herein contained to the contrary, payments of principal of and Redemption Price and interest on this bond shall be made in accordance with existing arrangements among the Trustee, the Commission and the Securities Depository. In the event the Subseries 2017A Subordinate Bonds are no longer held in book-entry-only form, the 2017A Subordinate Bonds would be issuable in the form of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

This 2017A Subordinate Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Subordinate Indenture until the Certificate of Authentication hereon shall have been signed by the Authenticating Agent or its Agent.

**If the 2017A Subordinate Bonds are held by The Depository Trust Company in book-entry form pursuant to Supplemental Indenture No. 24, the following legend (or such other legend as may be satisfactory to the Trustee, the Commission and The Depository Trust Company) shall appear in this place: Unless this 2017A Subordinate Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.**

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Commission has caused this 2017A Subordinate Bond to be executed in its name by the manual or facsimile signature of the Chairman of the Commission and the official seal of the Commission or a facsimile of the official seal to be affixed, imprinted, lithographed or reproduced hereon and attested by the manual or facsimile signature of its Secretary/Treasurer or Assistant Secretary/Assistant Treasurer.

Attest:

PENNSYLVANIA TURNPIKE  
COMMISSION

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

\_\_\_\_\_  
Chairman, Pennsylvania Turnpike Commission

[Commission Seal]



CERTIFICATE OF AUTHENTICATION

This 2017A Subordinate Bond is one of the 2017A Subordinate Bonds described in the within-mentioned Subordinate Indenture. Attached hereto is the complete text of the opinion of Clark Hill PLC of Pittsburgh, Pennsylvania and Ahmad Zaffarese LLC of Philadelphia, Pennsylvania, Co-Bond Counsel, dated the date of initial delivery of and payment for the 2017A Subordinate Bonds, a signed original of which is on file with the Trustee and the Bond Register.

Wells Fargo Bank, N.A.,  
Authenticating Agent

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication: \_\_\_\_\_

[STATEMENT OF INSURANCE  
for any insured 2017A Subordinate Bonds]

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within 2017A Subordinate Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

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

UNIFORM TRANS MIN ACT \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Transfers to Minors Act \_\_\_\_\_  
(State)

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

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within 2017A Subordinate Bond and all rights thereunder, and hereby irrevocably constitutes and appoints, \_\_\_\_\_ attorney to transfer the said 2017A Subordinate Bond on the bond register, with full power of substitution in the premises.

Assignor's Signature:

Dated:

Signature guaranteed:

Social Security

Number or Employer

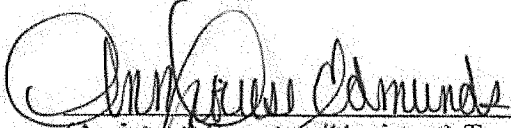
Identification Number of Assignee:

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

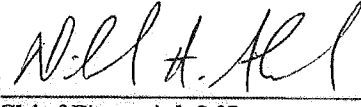
[ATTACH TEXT OF OPINION OF CO-BOND COUNSEL]

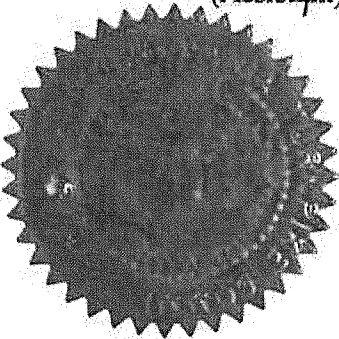
IN WITNESS WHEREOF, the Pennsylvania Turnpike Commission has caused this Supplemental Indenture No. 24 to be executed on behalf of the Commission by its Chief Financial Officer and attested by its (Assistant) Secretary/(Assistant) Treasurer or other authorized officer, and Wells Fargo Bank, N.A., as Trustee, has caused this Supplemental Indenture No. 24 to be executed by one of its Authorized Officers and attested by one of its Authorized Officers all as of the day and year first above written.

ATTEST:

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

PENNSYLVANIA TURNPIKE  
COMMISSION

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



ATTEST:

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

WELLS FARGO BANK, N.A.,  
as Trustee

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