
MASTER INDENTURE

between

ORANGE COUNTY TRANSPORTATION AUTHORITY

and

US BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of June 1, 2017

Orange County Transportation Authority
I-405 Improvement Project Toll Revenue Obligations

TABLE OF CONTENTS

Page No.

ARTICLE I DEFINITIONS	<u>45</u>
Section 1.01 Definitions.....	5
ARTICLE II THE OBLIGATIONS	<u>212125</u>
Section 2.01 Authorization and Purposes.....	<u>212125</u>
Section 2.02 General Terms of Obligations	<u>222225</u>
Section 2.03 Execution.....	<u>222226</u>
Section 2.04 Certificate of Authentication	<u>222226</u>
Section 2.05 Forms of Obligations	<u>222226</u>
Section 2.06 Issuance, Sale and Delivery of Obligations; Application of Proceeds.....	<u>232226</u>
Section 2.07 Mutilated, Lost, Stolen or Destroyed Obligations.....	<u>232227</u>
Section 2.08 Exchangeability and Transfer of Obligations; Persons Treated as Holders.....	<u>232227</u>
Section 2.09 Cancellation.....	<u>242528</u>
Section 2.10 Senior Lien Bonds Ratably Secured.....	<u>242528</u>
Section 2.11 Subordinate Obligations Ratably Secured.....	<u>252528</u>
Section 2.12 Book-Entry Only System	<u>252529</u>
ARTICLE III ADDITIONAL OBLIGATIONS.....	<u>262730</u>
Section 3.01 Restrictions on Issuance of Additional Senior Lien Bonds.....	<u>262730</u>
Section 3.02 Proceedings for Issuance of Additional Obligations	<u>272731</u>
Section 3.03 Restrictions on Issuance of Subordinate Obligations.....	<u>282832</u>
Section 3.04 Proceedings for Issuance of Subordinate Obligations	<u>292934</u>
ARTICLE III REDEMPTION	<u>303034</u>
Section 3.05 Redemption and Purchase of Obligations.....	<u>303034</u>
Section 3.06 Notice of Redemption	<u>303034</u>
Section 3.07 Conditional Notice of Redemption; Rescission.....	<u>303135</u>
Section 3.08 Effect of Redemption.....	<u>313135</u>
Section 3.09 Partial Redemption of Obligations.....	<u>313135</u>
ARTICLE IV PLEDGE; FUNDS AND ACCOUNTS.....	<u>313136</u>
Section 4.01 Deposit of Revenue by Trustee; Toll Revenue Fund.....	<u>313136</u>

TABLE OF CONTENTS

(continued)

Page No.

Section 4.02	Establishment of Funds and Accounts.....	323236
Section 4.03	Toll Revenue Fund; Priority of Deposits and Transfers.....	333237
Section 4.04	Project Fund.....	363641
Section 4.05	Operation and Maintenance Fund.....	383843
Section 4.06	Senior Lien Bonds Reserve Fund.....	383843
Section 4.07	Subordinate Obligations Reserve Fund.....	394045
Section 4.08	Major Maintenance Reserve Fund.....	414247
Section 4.09	Operation and Maintenance Reserve Fund.....	424247
Section 4.10	Distribution Lock-Up Fund.....	424348
Section 4.11	Rebate Fund.....	434349
Section 4.12	Senior Lien Bonds Interest Account.....	434349
Section 4.13	Senior Lien Bonds Principal Account.....	434449
Section 4.14	Subordinate Obligations Interest Account.....	444450
Section 4.15	Subordinate Obligations Principal Account.....	444450
Section 4.16	Subordinate Obligations Prepayment Account.....	444551
Section 4.17	Establishment and Application of the Redemption Fund.....	444551
Section 4.18	Records.....	454551
Section 4.19	Investment by Trustee.....	454551
Section 4.20	Withdrawal and Application of Funds; Priority of Transfers from Funds and Accounts.....	464753
ARTICLE V COVENANTS OF THE AUTHORITY.....		484854
Section 5.01	Punctual Payment and Performance.....	484854
Section 5.02	Against Encumbrances.....	484854
Section 5.03	Toll and Revenue Covenants.....	484955
Section 5.04	Annual Budget; Financial Plan.....	505056
Section 5.05	Operation and Maintenance of the Toll Road.....	505157
Section 5.06	Retention of Assets.....	505157
Section 5.07	Insurance.....	515157

TABLE OF CONTENTS

(continued)

Page No.

Section 5.08	Payment of Claims	<u>515157</u>
Section 5.09	Receipt and Deposit of Cash Advances	<u>515258</u>
Section 5.10	Toll Agreements.....	<u>515258</u>
Section 5.11	Construction and Maintenance From Other Sources Permitted	<u>525258</u>
Section 5.12	Tax Covenants.....	<u>525359</u>
Section 5.13	Accounting Records; Financial Statements and Other Reports.....	<u>535359</u>
Section 5.14	Protection of Trust Estate and Rights of Holders.....	<u>535460</u>
Section 5.15	Payment of Governmental Charges and Compliance with Governmental Regulations.....	<u>535460</u>
Section 5.16	Maintenance of Powers.....	<u>535460</u>
Section 5.17	Covenants Binding on Authority and Successors.....	<u>545460</u>
Section 5.18	Continuing Disclosure.....	<u>545460</u>
Section 5.19	Further Assurances.....	<u>545561</u>
ARTICLE VI DEFAULT PROVISIONS AND REMEDIES.....		<u>545561</u>
Section 6.01	Events of Default.....	<u>545561</u>
Section 6.02	Application of Revenue and Other Funds After Default.....	<u>555662</u>
Section 6.03	No Acceleration	<u>565763</u>
Section 6.04	Suits at Law or in Equity and Mandamus	<u>565763</u>
Section 6.05	Waivers.....	<u>575763</u>
Section 6.06	Rights of Subordinate Lenders.....	<u>575764</u>
ARTICLE VII THE TRUSTEE.....		<u>575865</u>
Section 7.01	Trustee.....	<u>575865</u>
Section 7.02	Compensation and Indemnification of Trustee.....	<u>596067</u>
Section 7.03	Qualifications of Trustee; Resignation; Removal.	<u>606167</u>
Section 7.04	Instrument of Bondholders	<u>626369</u>
Section 7.05	Issuing and Paying Agents.....	<u>626369</u>
ARTICLE VIII AMENDMENTS.....		<u>636370</u>
Section 8.01	Amendments to Indenture Not Requiring Consent of Bondholders	<u>636370</u>

TABLE OF CONTENTS

(continued)

Page No.

Section 8.02	Amendments to Indenture Requiring Consent of Bondholders and TIFIA Lender	646 <u>571</u>
Section 8.03	Notice to and Consent of Bondholders	656 <u>572</u>
Section 8.04	Execution and Effect of Supplemental Indentures	656 <u>672</u>
Section 8.05	Obligations Owned by Authority.....	656 <u>672</u>
ARTICLE IX DISCHARGE OF LIEN		666 <u>673</u>
Section 9.01	Discharge of Lien and Security Interest	666 <u>673</u>
Section 9.02	Provision for Payment of Obligations.....	666 <u>773</u>
Section 9.03	Unclaimed Moneys	676 <u>874</u>
ARTICLE X MISCELLANEOUS		686 <u>875</u>
Section 10.01	Liability of Authority Limited to Trust Estate	686 <u>875</u>
Section 10.02	Limitation of Rights; Third Party Beneficiary	686 <u>975</u>
Section 10.03	Rights of Credit Providers	686 <u>975</u>
Section 10.04	Severability.....	696 <u>976</u>
Section 10.05	Notices	697 <u>076</u>
Section 10.06	Payments Due on Non-Business Days.....	707 <u>076</u>
Section 10.07	Captions	707 <u>077</u>
Section 10.08	California Law	707 <u>077</u>
Section 10.09	Effective Date	707 <u>077</u>
Section 10.10	Execution in Several Counterparts	707 <u>077</u>
EXHIBIT A	FORM OF FUNDS TRANSFER CERTIFICATE	A-1
EXHIBIT B	TIFIA LOAN AGREEMENT	B-1

This MASTER INDENTURE, dated as of June 1, 2017 (this "Master Indenture"), between the ORANGE COUNTY TRANSPORTATION AUTHORITY, a public entity duly existing under the laws of the State of California (as further defined herein, the "Authority"), and US BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (together with any successor thereto the "Trustee");

WITNESSETH:

WHEREAS, the Authority has been designated to act as a local transportation authority duly organized and existing pursuant to the Local Transportation Authority and Improvement Act, being Division 19 of the Public Utilities Code of the State of California (Section 180000 *et seq.*), as amended (the "Act");

WHEREAS, the Authority is authorized pursuant to the Act to, among other things, and with voter approval, levy a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code (the "Sales Tax Act") and to issue limited tax bonds payable from the proceeds of such tax;

WHEREAS, the Authority adopted Ordinance No. 3, named the "Renewed Measure M Transportation Ordinance and Investment Plan" (the "Ordinance") on July 24, 2006, pursuant to the provisions of the Act, which Ordinance provides for the imposition of a retail transactions and use tax (the "Sales Tax") applicable in the incorporated and unincorporated territory of the County in accordance with the provisions of the Sales Tax Law at the rate of one-half of one percent (1/2%) for a period of thirty (30) years;

WHEREAS, by its terms, the Ordinance became effective on November 8, 2006, the day after the election at which the proposition imposing the Sales Tax was approved by more than two-thirds of the electors voting on the measure;

WHEREAS, collection of the Sales Tax by the State Board of Equalization of the State of California commenced on April 1, 2011;

WHEREAS, the Ordinance empowers the Authority to issue, from time to time, on or before commencement of the collection of the Sales Tax, bonds or other evidences of indebtedness in order to finance and refinance improvements authorized by the Ordinance;

WHEREAS, the Authority is authorized by the Act to issue from time to time limited tax bonds (defined to include indebtedness and securities of any kind or class, including commercial paper notes), secured and payable in whole or in part from revenues of the Sales Tax ("Sales Tax Revenues");

WHEREAS, the execution and delivery of this Indenture has in all respects been duly and validly authorized by resolutions duly passed and approved by the Authority; and

WHEREAS, the Authority has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Indenture do exist, have happened and have been

performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Indenture;

WHEREAS, Streets and Highways Code Section 149.7 of the State of California (the “Tolling Act”) authorizes the Authority to set, levy and collect tolls, user fees, or other similar charges, payable for use of the toll lanes and other facilities on the tolled portion of the I-405 Improvement Project (as further defined herein, the “Toll Road”) following approval therefor by the California Transportation Commission, which approval was given on May 18, 2016, and to issue one or more series of bonds or other obligations (as further defined herein, the “Obligations”) pursuant to the terms and conditions of a resolution adopted by the Board of the Authority, which Obligations may be payable from the proceeds of such tolls (as further defined herein, the “Toll Revenues”) and any other Revenue pledged hereunder;

WHEREAS, the Tolling Act authorizes the Obligations to be issued for the purpose of financing the planning, design, development, financing, construction, reconstruction, rehabilitation, improvement, acquisition, lease, operation, or maintenance, or any combination of these, with respect to tolled and nontolled facilities, structures, onramps, connector roads, bridges, utilities, equipment and roadways that are on, necessary for, or related to the construction or operation of the portion of Interstate 405 between the SR71 north to Interstate 605 (as more fully defined herein, the “I-405 Improvement Project”);

WHEREAS, Caltrans and the Authority have negotiated and entered into a cooperative agreement for Design-Build of the I-405 Improvement Project, by and between the Authority and Caltrans (as further defined herein, the “Caltrans DB Cooperative Agreement”);

WHEREAS, the Authority will set, levy, and collect tolls, user fees and similar charges for the use of the Toll Road pursuant to the toll policy adopted by the Authority on May 23, 2016 (the “Toll Policy”), and apply the Toll Revenues to the financing or payment of the I-405 Improvement Project’s design, construction, operation and maintenance, including the funding of reserves;

WHEREAS, the Authority determined that it is necessary to issue Obligations, including the TIFIA Loan (as defined herein), to (i) pay or reimburse the Authority for the payment of a portion of the Project Costs (as hereinafter defined), and (ii) apply for or otherwise obtain available federal, state and local matching funds, loans and grants to make additional funds available for the I-405 Improvement Project, including Sales Tax Revenues and the proceeds of limited tax bonds secured by and payable from Sales Tax Revenues;

WHEREAS, the Authority has determined to enter into this Master Indenture and one or more Supplemental Indentures (collectively, the “Indenture”) to provide for (i) the authentication and delivery of Senior Lien Bonds, entitled “Orange County Transportation Authority Toll Revenue Senior Lien Bonds,” to establish and declare the terms and conditions upon which the Senior Lien Bonds and other obligations secured by toll revenues and other sources of funds, shall be issued and secured and to secure the payment of the principal, premium (if any), and interest on the Senior Lien Bonds, secured by toll revenues on a parity with the Senior Lien Bonds (collectively, the “Senior Lien Bonds”); and (ii) the authentication and delivery of Subordinate Obligations, entitled “Orange County Transportation Authority Toll Revenue Subordinate Obligations,” to establish and declare the terms and conditions upon which the Subordinate Obligations and other obligations secured by toll revenues and other sources of funds shall be issued and secured and to secure the payment of the

principal, premium (if any), and interest on the Subordinate Obligations, secured by toll revenues on a parity basis with the Subordinate Obligation, all on a subordinate basis with the Senior Lien Bonds (collectively, the "Subordinate Lien Obligations");

WHEREAS, the execution and delivery of this Master Indenture has in all respects been duly and validly authorized by resolution duly passed and approved by the Authority; and

WHEREAS, the Authority certifies that all acts that are necessary to make the Obligations, when executed by the Authority and authenticated and delivered by the Trustee, duly issued and the valid, legal and binding obligations of the Authority payable in accordance with their terms, and to constitute this Master Indenture a valid and binding agreement of the parties hereto, have been done and taken, and the execution and delivery of this Master Indenture have been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

The Authority, to secure the payment of the Obligations as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Obligations by the Holders thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority does hereby grant, mortgage, grant a security interest in, assign, transfer in trust, and pledge to the Trustee, and to its successors in trust hereunder, and to them and their assigns forever, all rights, title, interest and privileges of the Authority in, to and under (i) the Toll Revenues, (ii) all interest or other income from investment of money in the Funds and Accounts established hereunder (excluding the Rebate Fund, the Unpledged Account and any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument), and (iii) all amounts (including the proceeds of Obligations) held in each Fund and Account established under this Indenture (except for amounts on deposit in the Rebate Fund, the Unpledged Account and amounts on deposit in any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument);

TO HAVE AND TO HOLD all the same (herein called the "Trust Estate") with all privileges and appurtenances hereby granted and assigned, or agreed or intended so to be, to the Trustee and its successors in trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth,

FIRST: for the equal and proportionate benefit and security of all Senior Lien Bonds, including the TIFIA Bond, all of which, regardless of the time or times of their delivery, maturity or other due date, shall be of equal rank without preference, priority or distinction as to lien or otherwise of any Senior Lien Obligation over any other Senior Lien Obligation, except as otherwise permitted by or provided for in this Indenture or in a Supplemental Indenture; provided, that any funds held by the Trustee for the payment of specific Senior Lien Bonds which are deemed to have been paid pursuant to the provisions of Article X and any funds deposited with the Trustee hereunder specifically to be held in escrow or otherwise to provide additional security or an additional source of payment for specified Senior Lien Bonds shall be held and used only to pay or provide security for the Senior Lien Bonds for which such deposit was made and shall not be held as security on a parity

for any other Senior Lien Bonds; and provided further, that the Trustee shall apply the Trust Estate hereunder to the payment of the principal of, and interest on, or Maturity Value of, and other payments with respect to the Senior Lien Bonds and for the purposes and uses and in the order of priority set forth herein prior to the payment of the principal of, and interest on, or Maturity Value of, and other payments with respect to Subordinate Obligations or other Obligations; and

SECOND: subject to the security interest in the Trust Estate pledged for the security and payment of the Senior Lien Bonds, for the equal and proportionate benefit and security of all Subordinate Obligations, all of which, regardless of the time or times of their delivery, maturity or other due date, shall be of equal rank without preference, priority or distinction as to lien or otherwise of any Subordinate Lien Obligation over any other Subordinate Lien Obligation, except as otherwise permitted by or provided for in this Indenture or in a Supplemental Indenture; provided, that any funds held by the Trustee for the payment of specific Subordinate Obligations which are deemed to have been paid pursuant to the provisions hereof and any funds deposited with the Trustee hereunder specifically to be held in escrow or otherwise to provide additional security or an additional source of payment for specified Subordinate Obligations shall be held and used only to pay or provide security for the Subordinate Obligations for which such deposit was made and shall not be held as security on a parity for any other Subordinate Obligations; and provided further, that the Trustee shall apply the Trust Estate hereunder to the payment of the principal of, and interest on, or Maturity Value of, and other payments with respect to the Subordinate Obligations and for the purposes and uses and in the order of priority set forth herein subordinate to the payment of the Senior Lien Bonds but prior to the payment of the principal of and interest on, or Maturity Value of, and other payments with respect to other Obligations;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, or provide fully for payment as herein provided of the principal of the Obligations and the interest due or to become due thereon (together with premium, if any), at the time and in the manner set forth in the Obligations according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee sums sufficient for payment of the entire amount due or to become due thereon as herein provided, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then this Indenture and the rights hereby granted shall cease, terminate and be void except as otherwise provided herein.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Obligations issued and secured hereunder are to be issued, authenticated and delivered and all payments, revenues, income and funds hereby pledged and assigned, and are subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby covenant and agree with the Trustee, for the benefit of the owners from time to time of the Obligations issued hereunder and the Secured Creditors, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. In addition to terms elsewhere defined in this Indenture, the following terms shall have the following meanings unless the context or use clearly indicates another meaning. These definitions shall apply to the singular and plural forms of these defined terms.

“Account” means each account established in accordance with the terms of this Indenture.

“Accreted Value” means, with respect to any Capital Appreciation Obligations or Convertible Capital Appreciation Obligations, the principal amount thereof plus the interest accrued thereon at and prior to the maturity or earlier redemption thereof, in the case of a Capital Appreciation Obligation, or at and prior to the date of conversion of such Obligation to a Current Interest Obligation, in the case of a Convertible Capital Appreciation Obligation, compounded on the basis of a 360-day year of twelve 30-day months at the approximate interest rate thereon on each compounding date specified therein. The Accreted Value of an Obligation at any date of computation shall be an amount equal to the principal amount of such Obligation plus interest accrued thereon from the date of issuance, such interest to accrue at the rate per annum established as provided in a Supplemental Indenture and be compounded periodically, plus, if such date of computation shall not be a compounding date, the ratable portion of the difference between the Accreted Value computed as of the immediately preceding compounding date (or the date of issuance thereof if the date of computation is prior to the first compounding date succeeding the date of issuance) and the Accreted Value computed as of the immediately succeeding compounding date, calculated based on the assumption that the Accreted Value increases during any period in equal daily amounts (with straight-line interpolation between compounding dates).

“Act” means Division 19 of the Public Utilities Code of the State of California (Section 180000 *et seq.*), as amended.

“Additional Project” shall mean any addition, acquisition, improvement, betterment, extension or equipping of or relating to either the Project or any other project of the Authority that has become part of the Toll Road and which is so designated by the Authority in a resolution of the Board a copy of which is delivered to the Trustee and consented to by the TIFIA Lender as provided in the TIFIA Loan Agreement.

“Annual Debt Service” means the amount of payments due on the applicable Outstanding Obligations for any Calculation Period, as calculated by the Authority, utilizing the following assumptions about payments on such Obligations (and if more than one such assumption may apply, using the relevant assumptions selected by the Authority):

(i) in determining the principal amount of an Obligation due in each year, payment shall be assumed to be made in accordance with the amortization schedule established for such principal, including any minimum sinking fund or account payments;

[(ii) if 40 percent or more of the principal of a Series of Obligations is not due until the final stated maturity of that Series of Obligations, the principal of and interest on such Obligations may be treated as if such principal and interest were due based upon a level amortization of such principal and interest over the term of that Series of Obligations;]

(iii) if an Outstanding Obligation bears a variable interest rate, the interest rate shall be assumed to be the greater of (a) the daily average interest rate during the 12 months ending with the month preceding the date of calculation, or during such shorter period that the Obligation has been Outstanding, or (b) the rate of interest on that Obligation on the date of calculation;

(iv) if Obligations proposed to be issued will be variable interest rate obligations, the interest on which is excluded from gross income for federal income tax purposes, then such obligations shall be assumed to bear interest at an interest rate equal to the average SIFMA Index during the three months preceding the month of calculation, or if SIFMA Index is no longer published, at an interest rate equal to 75% of the average One Month USD LIBOR Rate during that three month period, or if the One Month USD LIBOR Rate is not available for such period, another similar rate or index selected by the Authority and, for so long as the TIFIA Lender is the holder of an Outstanding Obligation, acceptable to the TIFIA Lender;

(v) if Obligations proposed to be issued will be variable interest rate obligations the interest on which is included in gross income for federal income tax purposes, then such obligations shall be assumed to bear interest at an interest rate equal to the average One Month USD LIBOR Rate during the three months preceding the month of calculation, or if the One Month USD LIBOR Rate is not available for such period, another similar rate or index selected by the Authority and, for so long as the TIFIA Lender is the holder of an Outstanding Obligation, acceptable to the TIFIA Lender;

[(vi) if any of the Obligations are Short-Term Put Obligations, the principal of such obligations may be treated as if such principal were due based upon a 30-year level amortization of principal from the date of calculation and the interest on such obligations may be calculated as if such obligations were variable interest rate Obligations;]

(vii) principal and interest payments on Obligations may be excluded to the extent such payments are to be paid from amounts then currently on deposit with the Trustee or another fiduciary in escrow specifically and irrevocably therefor and interest payments on any Obligations may be excluded to the extent that such interest payments are to be paid from capitalized interest held by the Trustee or another fiduciary specifically to pay such interest, including amounts held on deposit to pay capitalized interest on one or more Series of Obligations;

(viii) any payment obligation under an Obligation that was or is optional or contingent, whether or not the option is exercised or the contingency occurs, and any payments that are not scheduled payments, may be excluded;

(ix) if any of the Obligations are, or upon issuance will be, obligations payable in a currency other than lawful currency of the United States of America, then such obligations shall be assumed to be payable in lawful currency of the United States at the rate payable by the Authority pursuant to the Authority's related currency swap or contract entered into in connection with such obligations or, in the absence of such swap or contract, at the rate determined by the Authority using a currency market conversion factor selected by the Authority; and

(x) in the case of the TIFIA Bond, Annual Debt Service thereon shall include only annual TIFIA Mandatory Debt Service.

“Annual Operating Budget” means the annual budget required by Section 6.04 hereof.

“Authority” means the Orange County Transportation Authority, a public entity duly established and existing under the laws of the State of California, and any successor thereto.

“Authorized Denominations” means, with respect to a Series of Obligations, the denomination or denominations designated as such in a Supplemental Indenture providing for the issuance of such Obligations.

“Authorized Representative” means the Chief Executive Officer of the Authority, the Executive Director of Finance and Administration, the Treasurer or any other person designated by the Chief Executive Officer of the Authority and who has been identified in a Certificate of the Authority delivered to the Credit Provider (if any) and the Trustee by the Chief Executive Officer of the Authority and whose signature has likewise been certified to the Credit Provider and the Trustee.

“Beneficial Owner” means, with respect to any Book-Entry Obligation, the beneficial owner of such Book-Entry Obligation as determined in accordance with the applicable rules of the Securities Depository for such Book-Entry Obligations.

“Board” means the Board of Directors of the Authority.

“Bond Counsel” means a firm of nationally-recognized attorneys-at-law experienced in legal work relating to the issuance of municipal bonds selected by the Authority.

“Bond Obligation” means, as of any given date of calculation, (a) with respect to any Outstanding Current Interest Obligation, the principal amount of such Obligation, and (b) with respect to any Outstanding Capital Appreciation Obligation or Convertible Capital Appreciation Obligation, the Accreted Value thereof.

“Bond Register” means the registration books for the ownership of Obligations maintained by the Trustee pursuant to Section 2.08.

“Bondholder” or **“Holder”** or **“Owner”** means the record owner of any Obligation shown on the books of registration kept by the Trustee, which, during any period when such Obligation is a Book-Entry Obligation, shall be the Securities Depository or its Nominee.

“Book-Entry Obligations” means Obligations issued under a book-entry only depository system as provided in Section 2.13.

“Business Day” means any day, other than a Saturday, Sunday or other day on which the Government or banks are authorized or obligated by law or executive order to be closed in the State of California or the State of New York or in any city in which the Principal Office of the Trustee is located, or, with respect to any Obligations secured by a Credit Support Instrument, the office where draws are to be made on a Credit Provider is located.

“Calculation Date” means each June 30 and December 31, or, if such day is not a Business Day, the next succeeding Business Day, commencing with such date following the Substantial Completion Date.

“Calculation Period” means a period of consecutive twelve (12) months.

“Caltrans” means the California Department of Transportation.

“Caltrans DB Cooperative Agreement” means that certain cooperative agreement (District Agreement No. 12-697) for Design-Build of the I-405 Improvement Project, dated as of June 30, 2015, by and between the Authority and Caltrans, setting forth, among other things, the manner in which the initial phase of the I-405 Improvement Project will be constructed using the design-build method of procurement.

“Capital Appreciation Obligations” means the Obligations designated as Capital Appreciation Obligations in the Supplemental Indenture providing for the issuance of such Obligations and on which interest is compounded and paid at maturity or on prior redemption.

“Certificate of the Authority” means an instrument in writing signed by an Authorized Representative of the Authority.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

Senior Lien Bonds **“Completion Obligations”** means any Obligations incurred for the purpose of financing the completion of the I-405 Improvement Project for which Obligations theretofore shall have been incurred in accordance with the provisions hereof, to the extent necessary to complete the I-405 Improvement Project, in the manner and scope contemplated at the time that such Obligations theretofore incurred were originally incurred, and, to the extent the same shall be applicable, in accordance with the general plans and specifications for the applicable Project, as originally prepared with only such changes as have been made in conformance with the Financing Documents pursuant to which such Obligations theretofore incurred were originally incurred.

“Consulting Engineer” means an independent engineer or engineering firm, or an affiliate thereof, nationally recognized as being experienced with determining the costs of construction, operation, maintenance, repair, and/or replacement of facilities similar to the Project.

“Continuing Disclosure Agreement” means, with respect to each Series of Obligations requiring an undertaking regarding disclosure under Rule 15c2-12, the continuing disclosure undertaking entered into by the Authority and, if applicable, the Trustee or a Dissemination Agent or both, as the same may be supplemented, modified or amended in accordance with its terms.

“Convertible Capital Appreciation Obligations” means Obligations that initially are issued as Capital Appreciation Obligations, but later convert to Obligations on which interest is paid periodically. Convertible Capital Appreciation Obligations shall be Capital Appreciation Obligations until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Obligations, but shall be treated as Current Interest Obligations having a principal amount equal to their Accreted Value on the conversion date.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, execution, sale and delivery of Obligations, including, but not limited to, advertising and printing costs, costs of preparation and

reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, underwriting fees and discounts, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of such Obligations, surety, insurance, liquidity and credit enhancements costs, and any other cost, charge or fee incurred in connection with the issuance of Obligations.

“Coverage Calculation Date” has the meaning assigned in Section 5.03(b).

“Coverage Ratio” has the meaning assigned in Section 5.03(b).

“Credit Provider” means any municipal bond insurance company, bank or other financial institution or organization or group of financial institutions or organizations providing a Credit Support Instrument for a Series of Obligations.

“Credit Support Instrument” means a policy of insurance, letter of credit, line of credit, standby purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a Credit Provider provides credit or liquidity support with respect to, or available for, the payment of interest, principal or Purchase Price of any Series of Obligations, as the same may be amended from time to time pursuant to its terms, and any replacement therefor.

“CTC” means the California Transportation Commission.

“Current Interest Obligations” means Obligations designated as Current Interest Obligations in the Supplemental Indenture providing for the issuance of such Obligations and that pay interest to the Holders thereof on a periodic basis prior to maturity. Current Interest Obligations also include Convertible Capital Appreciation Obligations after their conversion date.

“Defeasance Securities” means noncallable: (i) U.S. Treasury certificates, notes, bills and bonds, including State and Local Government Series securities; (ii) direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself; (iii) Resolution Funding Corp. securities (“REFCORP”), provided, however, only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable; (iv) pre-refunded municipal bonds rated the same level as U.S. Treasury Notes and Bonds by Moody’s and by S&P, provided, however, that if such municipal bonds are rated only by S&P, then such pre-refunded municipal bonds must have been pre-refunded with cash, direct United States or United States guaranteed obligations; (v) obligations issued by the following agencies, which are backed by the full faith and credit of the United States: (a) Farmers Home Administration (FmHA) - certificates of beneficial ownership; (b) General Services Administration - participation certificates; (c) U.S. Maritime Administration - Guaranteed Title XI financing; (d) Small Business Administration guaranteed participation certificates and guaranteed pool certificates; (e) GNMA guaranteed MSB and participation certificates; and (f) U.S. Department of Housing and Urban Development (HUD) Local Authority Bonds, or (vi) certain obligations of government-sponsored agencies that are not backed by the full faith and credit of the United States limited to: (a) Federal Home Loan Mortgage Corp. (FHLMC) debt obligations; (b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) consolidated system-wide bonds and notes; (c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; (d) Federal National Mortgage Association (FNMA) debt obligations; (e) Student Loan Marketing Association (SLMA) debt

obligations; and (f) Financing Corp. (FICO) debt obligations; and (g) other obligations approved by the Rating Agencies for defeasance escrows rated in the highest Rating Category.

“Design-Build Contract” means the Design-Build Contract for the I-405 Improvement Project, dated January 31, 2017, between the Authority and the Design-Build Contractor and any replacement contracts entered into by the Authority following any termination of such agreement, each in a form approved by the California Division Office of the Federal Highway Administration, an agency of the United States Department of Transportation, headquartered in Sacramento, California.

“Design-Build Contractor” means OC 405 Partners, a Joint Venture, a joint-venture comprised of OHL USA Incorporated and Astaldi Construction Company and any successor thereto.

“Design-Build Contractor Payments Account” means the Account by that name created within the Project Fund pursuant to Section 4.02.

“Dissemination Agent” means, with respect to each Series of Obligations requiring an undertaking regarding disclosure under Rule 15c2-12, the party (which may be the Authority) acting as dissemination agent under the applicable Continuing Disclosure Agreement, or any successor dissemination agent designated in writing by the Authority and which has filed a written acceptance with the Authority and the Trustee.

“Distribution Lock-Up Fund” means the Fund by that name created pursuant to Section 4.02.

“DTC” means The Depository Trust Company, New York, New York or any successor thereto.

“Electronic” means, with respect to notice, notice through the internet or through a time-sharing terminal.

“Event of Default” means any of the events specified in Section 7.01.

“Financial Plan” means (a) the initial financial plan submitted by the Authority within 60 days after the effective date of the TIFIA Loan Agreement attached hereto as Exhibit B as set forth in Section 22(a) of such TIFIA Loan Agreement, and (b) the annual updates thereto required pursuant to such Section 22(a).

“Financing Documents” means this Indenture, and any documents and/or instruments evidencing, documenting, securing or otherwise relating to any or all of the Obligations (including each TIFIA Loan Agreement), all as the same may from time to time be amended, modified, extended, renewed and/or restated, and each other document or instrument required to be executed and delivered by the aforementioned agreements.

“First Supplemental Indenture” means that certain First Supplemental Indenture, dated as of June 1, 2017, relating to the issuance of the TIFIA Bond.

"Fiscal Year" means the period of twelve months terminating on June 30 of each year, or any other annual period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law and, if applicable, the TIFIA Loan Agreement.

"Fund" means each fund established in accordance with the terms of this Indenture.

"Funds Transfer Certificate" means a certificate prepared by the Authority in accordance with the terms of this Indenture substantially in the form of Exhibit A attached hereto containing the certifications by the Authority required by this Indenture with respect to a requested transfer of funds from a Fund or Account.

"GAAP" means GAAP for state and local governments as defined by the Governmental Accounting Standards Board or such other nationally recognized professional body, in effect from time to time in the United States of America.

"Government" means the United States of America and its departments and agencies.

"Highest Priority Obligations" means, as of any date, Senior Lien Bonds, unless and until there are no Senior Lien Bonds Outstanding hereunder, in which case it means Subordinate Obligations.

"I-405 Improvement Project" means the financing of the planning, design, development, financing, construction, reconstruction, rehabilitation, improvement, acquisition, lease, operation, or maintenance, or any combination of these, with respect to tolled and nontolled facilities, structures, onramps, connector roads, bridges, utilities, equipment and roadways that are on, necessary for, or related to the construction or operation of the portion of Interstate 405 between the SR71 north to Interstate 605.

"Indenture" means this Master Indenture as the same may be amended or supplemented from time to time as permitted hereby.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants appointed by the Authority, and who, or each of whom, is independent with respect to the Authority, pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

"Insolvency Law" means the United States Bankruptcy Code, including 11 U.S.C. §101 et seq., as from time-to-time amended and in effect, and any state bankruptcy, insolvency, receivership or similar law now or hereafter in effect.

"Insurance and Condemnation Proceeds Account" means the Account by that name created within the Project Fund pursuant to Section 4.02.

"Interest Payment Date" means, with respect to a Series of Obligations, the date or dates for the payment of interest on such Obligations set forth in a Supplemental Indenture providing for the issuance of such Obligations.

"KBRA" means the Kroll Bond Rating Agency, Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the

functions of a securities rating agency, the term “KBRA” shall be deemed to refer to any other nationally recognized statistical rating organization selected by the Authority. **“Major Maintenance Expenditures”** means capital expenditures reasonably necessary for the periodic overhaul or repair (excluding any maintenance or repair of a routine or ordinary course nature) of the Toll Road, including the equipment and systems thereof.

“Major Maintenance Reserve Fund” means the fund by that name created pursuant Section 5.10.

“Major Maintenance Reserve Fund Requirement” means, commencing on the first day of the Fiscal Year following Substantial Completion and, as set forth in a certificate of the Authority filed with the Trustee on or before the beginning of each Fiscal Year thereafter the sum of (a) the amount equal to one hundred percent (100%) of the Major Maintenance Expenditures projected as of the date of calculation to be incurred in the current Fiscal Year and to be paid from Pledged Revenues or any other moneys of the Authority as set forth in the Annual Operating Budget; (b) the amount equal to eighty percent (80%) of the Major Maintenance Expenditures projected to be incurred from the date of calculation in the next Fiscal Year and to be paid from Pledged Revenues or any other moneys of the Authority as set forth in the Annual Operating Budget; (c) the amount equal to sixty percent (60%) of the Major Maintenance Expenditures projected to be incurred from the date of calculation in the second Fiscal Year following the Substantial Completion and to be paid from Pledged Revenues or any other moneys of the Authority as set forth in the Annual Operating Budget; (d) the amount equal to forty percent (40%) of the Major Maintenance Expenditures projected to be incurred from the date of calculation in the third Fiscal Year following the Substantial Completion and to be paid from Pledged Revenues or any other moneys of the Authority as set forth in the Annual Operating Budget; and (e) the amount equal to twenty percent (20%) of the Major Maintenance Expenditures projected to be incurred from the date of calculation in the fourth Fiscal Year and to be paid from Pledged Revenues or any other moneys of the Authority as set forth in the Annual Operating Budget. .

“Master Indenture” has the meaning assigned in the first paragraph hereof.

“Maturity Value,” with respect to any Capital Appreciation Obligation, shall mean the Accreted Value of such Obligation at the maturity thereof and, with respect to a Convertible Capital Appreciation Obligation, shall mean the Accreted Value of such Obligation on the conversion date.

“Monthly Funding Date” means the last day of each calendar month or, if such day is not a Business Day, the next preceding Business Day.

“Moody’s” means Moody’s Investors Service, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, the term “Moody’s” shall be deemed to refer to any other nationally recognized statistical rating organization selected by the Authority.

“MSRB” means the Municipal Securities Rulemaking Board, and its successors and assigns. Until otherwise designated by the MSRB, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB located at <http://emma.msrb.org>.

“Net Revenue” means, for any Fiscal Year, (a) Toll Revenues plus any earnings derived in such period from the investment of moneys on deposit in the Funds and Accounts that are part of the Trust Estate less (b) Operation and Maintenance Expenses for that Fiscal Year paid from Toll Revenues (excluding, in such calculations, (i) any extraordinary or one-time revenues from Toll Revenues for such Fiscal Year, and (ii) any extraordinary or one-time expenses from Operation and Maintenance Expenses for such Borrower Fiscal Year, but only if and to the extent such extraordinary or one-time expenses are paid or payable from extraordinary or one-time revenues being excluded from Toll Revenues for such Fiscal Year). **“Nominee”** means the nominee of the Securities Depository for the Book-Entry Obligations, in whose name such Book-Entry Obligations are to be registered. The initial Nominee shall be Cede & Co., the partnership nominee of DTC.

“Obligations” means all indebtedness of the Authority payable from Revenue incurred or assumed by the Authority for borrowed money (including indebtedness arising under Credit Support Instruments) and all other financing obligations of the Authority relating to the Toll Road that, in accordance with GAAP, are included as a liability on a balance sheet for the Toll Road books and records, including any bonds, notes, certificates or other obligations, as the case may be, authenticated and delivered under and pursuant to this Indenture as Senior Lien Bonds or Subordinate Obligations. For the purpose of determining the “Obligations” payable from Revenue, Obligations that are no longer Outstanding shall be excluded.

“OCTA” or “the Authority” means the Orange County Transportation Authority, a public agency duly formed and existing under the laws of the State of California, and any successor thereto.

“One Month USD LIBOR Rate” means the British Banker’s Association average of interbank offered rates in the London market for dollar deposits for a one month period.

“Operating Agreement” means the agreement to be entered into by and among the Authority and the Toll Operator, as amended, modified, supplemented in accordance with the terms of the TIFIA Loan Agreement attached hereto as Exhibit B and the Operating Agreement, and all related or ancillary agreements, or any other operating agreement entered into by the Authority and one or more entities in accordance with the terms hereof.

“Operation and Maintenance Expenses” means, calculated in accordance with GAAP, all actual maintenance and operation costs incurred and paid or payable by the Authority for the operation and maintenance of the Toll Road payable from Revenue, GAAP including, without limitation, payments with respect to financing leases and installment purchase agreements, all amounts paid or payable under the Operating Agreement, the Police Services Agreement and similar agreements, costs for operation, maintenance and repair, consumables, payments under any lease or rental payments properly considered to be operating expenses, payments pursuant to agreements for the management of the Toll Road, taxes, premiums paid or payable on any insurance, payments for oversight services, all administrative, engineering and policing costs, costs for any security, toll collection and enforcement expenses, fees and expenses of the Traffic Consultant, the Trustee, each trustee for or holder of Subordinate Obligations, any rating agency, credit, liquidity or remarketing fees relating to Obligations, and any other Secured Creditor, any insurance consultant, legal and accounting expenses, and any other reasonable and necessary expense paid or payable for the operation and maintenance of the Toll Road, but excluding expenses paid or scheduled to be paid from proceeds of Obligations, capital expenditures, expenditures for rehabilitation and operational

improvement projects on the Toll Road, depreciation or obsolescence charges or reserves therefore, debt service for Obligations, and any non-cash charges, such as depreciation, amortization of intangibles and other bookkeeping entries of a similar nature.

“Operation and Maintenance Fund” means the Fund by that name created pursuant to Section 4.05.

“Operation and Maintenance Reserve Fund” means the Fund by that name created pursuant to Section 4.08.

“Operation and Maintenance Reserve Fund Requirement” means []

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Ordinance” means Ordinance No. 3, named the “Renewed Measure M Transportation Ordinance and Investment Plan,” adopted by the Authority on July 24, 2006, pursuant to the provisions of the Act.

“Outstanding,” when used with reference to Obligations hereunder means all Obligations that have been issued by the Authority hereunder or pursuant hereto, except such Obligations: (i) canceled or delivered for cancellation; (ii) deemed to be paid in accordance with Section 9.02 or any similar provisions in the constituent instruments defining the rights of the holders of such Obligations; (iii) in lieu of which other Obligations have been authenticated under Sections 2.07 or 2.08 or any similar provisions in the constituent instruments defining the rights of the holders of such Obligations; and (iv) to the extent described in Section 8.05, Obligations held by or for the account of the Authority or Caltrans.

“Participating Underwriter” means any of the original underwriters of any Series of Obligations required to comply with Rule 15c2-12.

“Permitted Investments” means the following:

“Person” means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

“Pledged Account” means the account by the name created by Section 4.____.

“Police Services Agreement” means the Police Services Agreement to be entered into by and between the State of California, acting by and through the California Highway Patrol, and the Authority, as amended, modified and supplemented in accordance with its terms.

“Principal Office” means, with respect to the Trustee, the corporate trust office of the Trustee at _____, and solely for purposes of the presentation of Obligations for transfer, exchange or payment, such other or additional offices as may be designated by the Trustee from time to time.

“Project” means the I-405 Improvement Project and additional capital projects extending, improving or otherwise related to the I-405 Improvement Project that the Authority determines to finance hereunder.

“Project Costs” means all or any part of the following with respect to the Project:

(a) the cost of study, design, acquisition, construction, expansion, enlargement, extension, reconstruction, restoration, repair and rehabilitation of the Project or portion thereof (including, but not limited to, indemnity and surety bonds, permits, taxes, licenses, insurance premiums, or other municipal or governmental charges lawfully levied or assessed during construction);

(b) the cost of acquisition of all real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for the Project or portion thereof,

(c) the cost of site preparation, including demolishing or removing any structures on land so acquired and the cost of acquiring any land to which the structures may be removed;

(d) any cost of borings and other preliminary investigations necessary or incident to determining the feasibility or practicability of constructing the Project or portion thereof and any cost necessary or desirable to satisfy conditions associated with the issuance of any permit for the construction thereof (including the costs of environmental related mitigation required in connection therewith);

(e) the cost of all machinery and equipment, vehicles, materials and rolling stock;

(f) Costs of Issuance;

(g) interest on Obligations for the period prior to and during acquisition or completion of construction (or such longer period as may be allowed by applicable law), as determined by the Authority;

(h) the cost of architectural, engineering, environmental feasibility, traffic and revenue, economic and demographic, appraisal, financial, and legal services;

(i) planning, investigations, studies, evaluations, plans, specifications, estimates, and administrative and other expenses that are necessary or incidental to the determination of the feasibility of constructing the Project or portion thereof or incidental to the obtaining of construction contracts or to the construction (including construction administration and inspection), acquisition or financing thereof and that constitute capital costs;

(j) Operation and Maintenance Expenses occurring during and for a period of up to one year after acquisition or completion of construction, as determined by the Authority, provided that, if applicable, the Trustee has received an Opinion of Bond Counsel (which opinion may address either specific Operation and Maintenance Expenses or categories of Operation and Maintenance Expenses) to the effect that the treatment of such Operation and Maintenance Expenses as a Project Cost will not adversely affect the exclusion of interest on any Outstanding Obligations from gross income for federal income tax purposes;

(k) the repayment or reimbursement of any Obligation, loan or advance for any of the foregoing; and

(l) such other costs and expenses as are permitted by the Act or other applicable law at the time such Obligations are issued.

“Project Fund” means the Fund by that name established pursuant to Section 4.02.

“Purchase Price” means, with respect to Obligations, the amount set forth in this Indenture as the amount to be paid when such Obligations are tendered for purchase or deemed tendered for purchase in accordance with the provisions of this Indenture.

“Rating Agency” means, as and to the extent applicable to a Series of Obligations, each of [Moody’s, KBRA and S&P] then maintaining a rating on such Series of Obligations at the request of the Authority.

“Rating Category” means: (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier; and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Rating Confirmation” means written evidence from each Rating Agency then rating any Series of Obligations at the request of the Authority to the effect that, following the event that requires the Rating Confirmation, the then current rating for such Series of Obligations will not be lowered to a lower Rating Category or suspended or withdrawn solely as a result of the occurrence of such event.

“Rebate Fund” means the Fund by that name created pursuant to Section 4.02.

“Redemption Fund” means the Fund by that name created pursuant to Section 4.18.

“Representation Letter” means the letter or letters of representation from the Authority to, or other instrument or agreement with, a Securities Depository for Book-Entry Obligations, in which the Authority, among other things, makes certain representations to the Securities Depository with respect to the Book-Entry Obligations, the payment thereof and delivery of notices with respect thereto.

“Reserve Facility” means a letter of credit, surety bond or insurance policy issued to the Trustee by a bank or company licensed to issue a surety bond or insurance policy guaranteeing the timely payment of the principal of and interest on the Obligations supported by the Reserve Facility.

“Reserve Facility Costs” means amounts owed with respect to repayment of draws on a Reserve Facility, including interest thereon at the rate specified in the agreement pertaining to such Reserve Facility and expenses owed to the Reserve Facility Provider in connection with such Reserve Facility.

“Reserve Facility Provider” means any provider of a Reserve Facility, any successor thereto or any replacement therefor.

“Revenues” means: (i) Toll Revenues; (ii) all interest or other income from investment of money in the Funds and Accounts established hereunder (excluding the Rebate Fund, the Operation and Maintenance Fund, the Operation and Maintenance Reserve Fund, the Major Maintenance Reserve Fund, the Unpledged Account and any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument); and (iii) such other sources of funds identified as Revenues herein, without duplication of the above.

“Rule 15c2-12” means Securities and Exchange Authority Rule 15c2-12, adopted by the Securities and Exchange Authority under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“S&P” means Standard & Poor’s Global Ratings, a division of Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw-Hill Companies, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, the term “S&P” shall be deemed to refer to any other nationally recognized statistical rating organization selected by the Authority.

“Sales Tax Act” means the Local Transportation Authority and Improvement Act, being Division 19 of the Public Utilities Code of the State of California (Section 180000 *et seq.*).

“Sales Tax Eligible Project Costs” means Project Costs that are permitted to be paid from Sales Tax Revenues or the proceeds of Sales Tax Revenue Bonds in accordance with the provisions of the Sales Tax Act, the Ordinance, and the Sales Tax Revenue Bond Indenture, if applicable.

“Sales Tax Revenue Bond Indenture” means that certain Master Indenture of Trust, dated as of December 1, 2010, as amended and supplemented, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee.

“Sales Tax Revenue Bonds” means Orange County Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) issued pursuant to the Sales Tax Revenue Bond Indenture.

“Sales Tax Revenues” means the amounts distributed to the Authority, pursuant to Section 5.02(B) of the Sales Tax Revenue Bond Indenture, on account of the retail transactions and use tax imposed in the County of Orange pursuant to the Sales Tax Act and the Ordinance.

“Secured Creditors” means, collectively, (i) the Trustee on behalf of the Bondholders, (ii) the TIFIA Lender, and (iii) any other trustee, holder or creditor of any Obligations.

“Securities Depository” means DTC or any other trust company or other entity that provides a book-entry system for the registration of ownership interests in securities and which is acting as security depository for Book-Entry Obligations.

“Senior Lien Bonds” means the TIFIA Bond and other bonds identified as the Orange County Transportation Authority Toll Revenue Senior Lien Bonds authorized by, issued in accordance with, and at any time Outstanding pursuant to, this Indenture.

“Senior Lien Bonds Account” means the Account by that name created within the Project Fund pursuant to Section 4.02.

“Senior Lien Bonds Fund” means the Fund by that name created pursuant to Section 4.02.

“Senior Lien Bonds Interest Account” means the Account by that name created within the Senior Lien Bonds Fund pursuant to Section 4.02.

“Senior Lien Bonds Principal Account” means the Account by that name created within the Senior Lien Bonds Fund pursuant to Section 4.02.

“Senior Lien Bonds Reserve Fund” means the Fund by that name created pursuant to Section 4.02.

“Senior Lien Bonds Reserve Requirement” for the TIFIA Bond, means the TIFIA Reserve Requirement as set forth in the First Supplement Indenture and for any other Senior Lien Bonds means the amount specified by a Supplemental Indenture as the amount required to be held in the Senior Lien Bonds Reserve Fund, or an Account thereof, for the payment of principal of and interest on the Outstanding Senior Lien Bonds secured by such Fund or Account.

“Series” means all Obligations identified in this Indenture or any Supplemental Indenture as a separate Series.

“Short-Term Put Obligation” means an Obligation with a stated maturity of ten years or less, the principal of which the Authority determines on or before the date of issuance that it intends to pay from remarketing proceeds or proceeds of refunding obligations.

“SIFMA Index” means Securities Industry and Financial Markets Association Municipal Swap Index as of the most recent date such index was published by the Securities Industry and Financial Markets Association or any successor thereto, or in the event such index is no longer published by the Securities Industry and Financial Markets Association or any successor thereto, such comparable replacement index as shall be published by the Securities Industry and Financial Markets Association or any successor thereto. In the event that such comparable replacement index is no longer published by the Securities Industry and Financial Markets Association or any successor thereto, an alternative index shall be selected by the Authority.

“Sinking Fund Installment” means, with respect to any Series of Obligations, each amount so designated for the Term Bonds of such Series in the Supplemental Indenture providing for the issuance of such Series of Obligations requiring payments by the Authority to be applied to the retirement of such Series of Obligations on and prior to the stated maturity date thereof.

“State” means the State of California.

“Subordinate Obligations” means any Obligations that are subordinated in right of payment and lien priority to the Senior Lien Bonds.

“Subordinate Obligations Account” means the Account by that name created within the Project Fund pursuant to Section 4.02.

“Subordinate Obligations Fund” means the Fund by that name created pursuant to Section 4.02.

“Subordinate Obligations Interest Account” means the Account by that name created within the Subordinate Obligations Fund pursuant to Section 4.02.

“Subordinate Obligations Prepayment Account” means the Account by that name created pursuant to Section 4.02.

“Subordinate Obligations Principal Account” means the Account by that name created within the Subordinate Obligations Fund pursuant to Section 4.02.

“Subordinate Obligations Reserve Fund” means the Fund by that name created pursuant to Section 4.02.

“Subordinate Obligations Reserve Requirement” for any Subordinate Obligations means the amount specified by a Supplemental Indenture as the amount required to be held in the Subordinate Obligations Reserve Fund , or an Account thereof, for the payment of principal of and interest on the Outstanding Subordinate Obligations secured by such Fund or Account.

“Substantial Completion” means the opening of a Project in its entirety to tolled vehicular traffic.

“Substantial Completion Date” means, with respect to the I-405 Improvement Project, the date on which the Toll Road portion of the I-405 Improvement Project opens for tolled vehicular traffic, and, with respect to any other Project, the Substantial Completion Date for such Project, if any, set forth in a Supplemental Indenture providing for the issuance of Obligations to finance such Project.

“Supplemental Indenture” means any indenture executed and delivered by the Authority and the Trustee in accordance with this Indenture that is stated to be a supplemental indenture hereto.

“Tax Certificate” means the Tax Certificate delivered by the Authority at the time of the issuance of a Series of Obligations, as the same may be amended and supplemented in accordance with its terms.

“Term Bonds” means Obligations of any Series that are payable on or before their specified maturity dates from Sinking Fund Installments established for that purpose in the Supplemental Indenture providing for the issuance of such Series of Obligations, which Sinking Fund Installments are calculated to retire such Obligations on or before their specified maturity dates.

“Threshold Rating” means a long term rating of either A3 or A- (or their equivalents) or higher or a short term rating of either P-2 or A-2 (or their equivalents) or higher from Moody’s or S&P, respectively.

“TIFIA Bond” means the Senior Lien Bond issued pursuant to the First Supplemental Indenture.

“TIFIA Debt Service Payment Commencement Date” means the fifth (5th) anniversary of the Substantial Completion Date or, if such date does not fall on an Interest Payment Date, the Interest Payment Date immediately preceding the fifth (5th) anniversary of the Substantial Completion Date.

“TIFIA Lender” means the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau, for the purpose of making one or more TIFIA Loans to the Authority.

“TIFIA Loan” means the loan made to the Authority by the TIFIA Lender pursuant to the TIFIA Loan Agreement.

“TIFIA Loan Agreement” means the Loan Agreement, dated as of May __, 2017, by and between the Authority and the TIFIA Lender, attached hereto as Exhibit B and any amendments or supplements thereto permitted hereby and thereby.

“TIFIA Mandatory Debt Service” shall have the meaning given in the TIFIA Loan Agreement.

“TIFIA Payment Date” has the meaning specified for the term “Payment Date” (or any similar term) in the TIFIA Loan Agreement.

“TIFIA Reserve Requirement” shall have meaning given to that term in the TIFIA Loan Agreement. **“TIFIA Scheduled Debt Service”** shall have the meaning given in the TIFIA Loan Agreement.

“Toll Agreements” means the Operating Agreement, the Design-Build Contract, the Caltrans DB Cooperative Agreement and the Toll Facility Agreement, and any amendments or supplements thereto permitted thereby and hereby.

“Toll Facility Agreement” means that certain Toll Facility Agreement, dated as of March 3, 2017, by and between the Authority and Caltrans relating to the Authority’s leasehold rights to I-405 Improvement Project right-of-way in Orange County and Caltrans’ role in oversight of the Project, and any amendments or supplements thereto permitted thereby and hereby.

“Toll Operator” means the entity that is a party to the Operating Agreement, or any successor, as operator of the Toll Road responsible for the collection of tolls and fees and the establishment and maintenance of customer accounts and records, pursuant to the Operating Agreement.

“Toll Revenue Fund” means the Fund by that name created pursuant to Section 4.01.

“Toll Revenues” means, calculated in accordance with GAAP, (a) all income, tolls, revenues, rates, fees, charges, rentals, fares, or other receipts, in each case derived by or related to the operation or ownership of the Toll Road and (b) the net proceeds of delay liquidated damages, from business interruption and delay in start-up insurance policies maintained by or for the benefit of the Authority and relating to the Toll Road but only to the extent such proceeds replace amounts described in clause (a) and provided that in no event shall any one time payments or revenue items

be included in the calculation of Revenues for purposes of this Agreement. **"Toll Road"** means the tolled portion of the I-405 Improvement Project.

"Tolling Act" means Streets and Highways Code Section 149.7 of the State of California.

"Traffic Consultant" means any traffic and revenue consultant or firm of nationally-recognized traffic and revenue consultants experienced in performing the duties for which a Traffic Consultant is required to be employed pursuant to the provisions of this Indenture selected by the Authority.

"Trust Estate" has the meaning specified in the Granting Clauses herein.

"Unpledged Account" means the account created by the name under Section 4.1.

"Written Engineer's Certificate" means an instrument in writing signed by a Consulting Engineer confirming the amount of Major Maintenance Expenditures for a Fiscal Year as determined by the Authority.

"Written Request of the Authority" means an instrument in writing signed by an Authorized Representative.

ARTICLE II

THE OBLIGATIONS

Section 2.01 Authorization and Purposes. Obligations in the form of Senior Lien Bonds (including the TIFIA Loan) or Subordinate Obligations may be issued hereunder, in book-entry form or otherwise, from time to time as the issuance thereof is approved by the Authority. The maximum Bond Obligation of Obligations that may be issued hereunder is not limited; subject, however, to any limitations contained in the Act and to the right of the Authority, which is hereby reserved, to limit the initial Bond Obligation of Obligations that may be issued or Outstanding hereunder. The Senior Lien Bonds are designated generally as "Orange County Transportation Authority Toll Revenue Senior Lien Bonds," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Senior Lien Bonds. The Subordinate Obligations are designated generally as "Orange County Transportation Authority Toll Revenue Subordinate Bonds," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Subordinate Obligations. The Obligations may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein. Each separate Series of Obligations shall be authorized by the Authority in a Supplemental Indenture. No Obligations may be issued under the provisions of this Indenture except in accordance with this Article and Article III.

Obligations may be issued for the purpose of financing the I-405 Improvement Project using a design-build procurement process, or for any other purpose authorized by the Act and this Indenture; provided, however, that for so long as the TIFIA Bond remains Outstanding, the consent

of the TIFIA Lender shall be required for the issuance of additional Obligations as set forth in Sections 3.01 and 3.03.

Section 2.02 General Terms of Obligations. Each Obligation shall be secured hereby and shall bear interest and shall be payable and be additionally secured and have such other terms as shall be specified in its Supplemental Indenture, or if not specified therein, as specified by an Authorized Representative pursuant to Section 2.06.

The principal and Purchase Price of, premium, if any, and interest on the Obligations shall be payable in lawful currency of the United States of America, except as otherwise specified in a Supplemental Indenture. During any period in which any Obligations are Book-Entry Obligations, payment of debt service on such Book-Entry Obligations shall be made to the Securities Depository, or its Nominee, and in accordance with arrangements among the Authority, the Trustee and the Securities Depository. During any period in which any Obligations are not Book-Entry Obligations, unless otherwise specified in a Supplemental Indenture, the principal and Purchase Price of and premium, if any, on all such Obligations shall be payable by wire or check at the Principal Office of the Trustee as the same become due and payable, and the interest on such Obligations shall be paid by wire or check drawn upon the Trustee and mailed on the applicable interest payment date to the persons in whose names the Obligations are registered on the registration books maintained by the Trustee at the close of business on the record date for such interest payment.

Section 2.03 Execution. The Obligations shall be executed in the name and on behalf of the Authority by the facsimile or manual signature of the Chairperson of the Board or any Vice Chairperson of the Board and shall be countersigned by the facsimile or manual signature of the Chief Financial Officer of the Authority, and shall have the official seal of the Authority attached or affixed thereon in manual or facsimile form. Unless otherwise provided in any Supplemental Indenture, the Obligations shall then be delivered to the Trustee for authentication by the Trustee. In case any of the officers who shall have signed or attested any of the Obligations shall cease to be such officer or officers of the Authority before the Obligations so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Authority, such Obligations may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also any Obligation may be signed and attested on behalf of the Authority by such persons as at the actual date of execution of such Obligation shall be the proper officers of the Authority although at the nominal date of such Obligation any such person shall not have been such officer of the Authority.

Section 2.04 Certificate of Authentication. No Obligations shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication, substantially in the form set forth in the form of Obligation referred to in Section 2.05 hereof, executed by the Trustee; and such certificate on any Obligation issued by the Authority shall be conclusive evidence that such Obligation has been duly authenticated and delivered hereunder.

Section 2.05 Forms of Obligations. The Obligations, the Trustee's certificate of authentication and the form of assignment shall be in substantially the forms specified in a Supplemental Indenture or if not specified therein, as specified by an Authorized

Representative pursuant to Section 2.06, and may have such letters, numbers or other marks of identification (including, but not limited to, the Series designation provided for in Section 2.01) and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by an Authorized Representative. The Obligations shall be in either typewritten or printed form, as an Authorized Representative shall direct, provided that any expenses incurred in connection therewith shall be paid by the Authority.

Section 2.06 Issuance, Sale and Delivery of Obligations: Application of Proceeds. The Obligations of each Series shall be delivered by the Trustee in accordance with a Written Request of the Authority, which may be Electronic, in the manner specified herein. Said Written Request of the Authority shall specify the following terms for the Obligations then being issued to the extent such terms are not set forth in the Supplemental Indenture creating such Series of Obligations and are applicable to such Obligations: whether such Obligation is a Senior Lien Bond, Parity Obligation or Subordinate Obligation hereunder; Series designation; Authorized Denominations; form of such Obligation; book-entry provisions, if any; maturity date or dates or maturity determination method, which may vary for Obligations within such Series; principal amount; issue date; interest rate or interest rate determination method, which may vary for Obligations within such Series; record date for interest payments; sinking fund provisions, if any; required reserves, if any; redemption provisions, if any; tender provisions, if any; additional security, if any; and any other terms and conditions that are not inconsistent with this Indenture. Upon the delivery of each Series of Obligations, the proceeds shall immediately be applied and deposited as set forth in the applicable Supplemental Indenture.

Section 2.07 Mutilated, Lost, Stolen or Destroyed Obligations. If any Obligation is mutilated, lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Obligation of the same Series, maturity date, principal amount and tenor in lieu of and in substitution for the Obligation mutilated, lost, stolen or destroyed; provided that there shall be first furnished to the Trustee evidence satisfactory to the Trustee of the ownership of such Obligation and of such loss, theft or destruction (or, in the case of a mutilated Obligation, such mutilated Obligation shall first be surrendered to the Trustee), together with indemnity satisfactory to the Trustee and compliance with such other reasonable regulations as the Authority and Trustee may prescribe. Subject to the proviso set forth in the preceding sentence, if any such Obligation shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Obligation, the Authority may pay the same without surrender thereof. The Authority and the Trustee may charge the Holder of such Obligation with their reasonable fees and expenses in this connection.

Section 2.08 Exchangeability and Transfer of Obligations: Persons Treated as Holders. The Authority hereby directs the Trustee, which is hereby constituted and appointed the bond registrar for the Obligations, to keep books for the registration of the Obligations and for the registration of transfer of the Obligations as provided herein.

Any registered owner of an Obligation, in person or by its duly authorized attorney, may transfer title to its Obligation on the books of registration kept by the Trustee, upon surrender thereof at the Principal Office of the Trustee, together with a written instrument of transfer (in substantially the form of assignment attached to the Obligation or as provided in its Supplemental Indenture) executed by the registered owner or its duly authorized attorney, and upon surrender for

registration of transfer of any Obligation, the Authority shall execute, and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Obligation or Obligations of the same Series, maturity date, Bond Obligation and tenor as the Obligation surrendered.

Obligations may be exchanged upon surrender thereof at the Principal Office of the Trustee for Obligations of the same Series, maturity date, Bond Obligation and tenor as the Obligations being exchanged. The Authority shall execute and the Trustee shall authenticate and deliver Obligations that the registered owner making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

Such registrations of transfers or exchanges of Obligations shall be without charge to the registered owner of such Obligations, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the registered owner of the Obligation requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration, transfer or exchange shall be paid by the Authority.

The Trustee shall not register any transfer of any Obligation after notice calling such Obligation (or portion thereof) for redemption or partial redemption or notice of mandatory tender with respect thereto has been given and prior to such redemption or mandatory tender, as the case may be, except, in the case of any Obligation to be redeemed in part, the portion thereof not to be redeemed.

The person in whose name any Obligation shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal, premium, if any, or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid.

All Obligations issued upon any transfer or exchange of Obligations shall be legal, valid and binding obligations of the Authority, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Obligations surrendered upon such transfer or exchange.

Section 2.09 Cancellation. All Obligations that have been surrendered to the Trustee pursuant to Section 2.07 or 2.08 of this Indenture and all Obligations that have been paid or redeemed, either at or prior to maturity, except as otherwise provided in a Supplemental Indenture, shall be cancelled and destroyed by the Trustee and a certificate of destruction shall be delivered to the Authority upon its request.

Section 2.10 Senior Lien Bonds Ratably Secured. All Senior Lien Bonds issued hereunder that by their terms are stated to be equally and ratably secured by this Indenture without preference, priority or distinction on account of the Series or the actual time or times of the authentication, delivery or maturity of such Senior Lien Bonds shall be so equally and ratably secured so that, subject to any differences specified in this Indenture, all such Senior Lien Bonds at any time Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured hereby with

like effect as if they were of the same Series and they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall be disposed of at some future date; provided, however, that the moneys in any Account within the Senior Lien Bonds Reserve Fund shall only secure the Series of Senior Lien Bonds to which such Account relates. The Senior Lien Obligation in the form of or securing payment of a TIFIA Loan will not be secured by any other Account within the Senior Lien Bonds Reserve Fund except the TIFIA Debt Service Reserve Account established by the First Supplemental Indenture.

Section 2.11 Subordinate Obligations Ratably Secured. All Subordinate Obligations issued hereunder that by their terms are stated to be equally and ratably secured by this Indenture without preference, priority or distinction on account of the Series or the actual time or times of the authentication, delivery or maturity of such Subordinate Obligations shall be so equally and ratably secured so that, subject to any differences specified in this Indenture, all such Subordinate Obligations at any time Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured hereby with like effect as if they were of the same Series and they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall be disposed of at some future date; provided, however, that the moneys in any Account within the Subordinate Obligations Reserve Fund shall only secure the Series of Subordinate Obligations to which such Account relates.

Section 2.12 Book-Entry Only System. Unless an Authorized Representative shall otherwise direct or unless otherwise specified in a Supplemental Indenture, all Obligations issued hereunder shall be issued as Book-Entry Obligations in fully registered form. Book-Entry Obligations shall be registered in the name of the Securities Depository or its Nominee as directed by such Securities Depository. DTC shall act as the initial Securities Depository and has designated Cede & Co. as its Nominee. Beneficial Owners of Obligations will not receive physical delivery of bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as Securities Depository for the Obligations as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no person purchasing, selling or otherwise transferring beneficial ownership of Obligations is to receive, hold or deliver any Obligation certificate.

With respect to Obligations registered in the name of Cede & Co., as Nominee of DTC, the Authority and the Trustee shall have no responsibility or obligation to any participant in DTC (each, a "DTC Participant") or to any person on whose behalf a DTC Participant holds an interest in the Obligations. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Obligations, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Obligations, as shown on the registration books, of any notice with respect to the Obligations, including any notice of redemption or mandatory tender, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of the Obligations, as shown in the registration books, of any amount with respect to principal or Purchase Price of, or premium, if any, or interest on, the Obligations.

Replacement Obligations may be issued directly to Beneficial Owners of Obligations other than DTC, or its Nominee, but only in the event that: (i) DTC determines not to continue to act as Securities Depository for the Obligations (which determination shall become effective no less than 90 days after written notice to such effect to the Authority and the Trustee); or (ii) an Authorized Representative has advised DTC of its determination (which determination is conclusive as to DTC and Beneficial Owners of the Obligations) that DTC is incapable of discharging its duties as Securities Depository for the Obligations; or (iii) the Authority has determined (which determination is conclusive as to DTC and the Beneficial Owners of the Obligations) that the interests of the Beneficial Owners of the Obligations might be adversely affected if such book-entry only system of registration and transfer is continued. Upon occurrence of any of the foregoing events, the Authority shall use its best efforts to attempt to locate another qualified Securities Depository. If the Authority fails to locate another qualified Securities Depository to replace DTC, the Authority shall cause to be authenticated and delivered replacement Obligations, in certificate form, to the Beneficial Owners of the Obligations. In the event that the Authority makes the determination noted in (ii) or (iii) above (provided that the Authority undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), and has made provisions to notify the Beneficial Owners of Obligations of such determination by mailing an appropriate notice to DTC and its Nominee, the Authority shall cause to be issued replacement Obligations in certificate form to Beneficial Owners of the Obligations as shown on the records of DTC provided to the Authority.

Whenever, during the term of the Obligations, the Beneficial Ownership thereof is determined by book-entry at DTC, (i) the requirements in this Indenture of holding, delivering or transferring Obligations shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect and (ii) delivery of the Obligations and notices to Bondholders will be in accordance with arrangements among the Authority, the Trustee and DTC notwithstanding any provision of this Indenture to the contrary.

The Trustee and the Authority, acting by and through an Authorized Representative, are authorized to enter into a letter of representations with DTC to implement the book-entry only system of Obligation registration described above and all payments of principal, Purchase Price, interest and premium, if any, shall be made in accordance with the letter of representations with DTC.

If at any time, DTC ceases to hold the Obligations in book-entry form, all references herein to DTC shall be of no further force or effect.

ARTICLE III

ADDITIONAL OBLIGATIONS

Section 3.01 Restrictions on Issuance of Additional Senior Lien Bonds.

Subsequent to the initial issuance of the TIFIA Bond pursuant to this Indenture, additional Senior Lien Bonds may be issued if the requirements of (a) or (b) below are met.

(a) The Senior Lien Bonds are issued for purposes of refunding Outstanding Senior Lien Bonds by providing funds for the payment of any or all of the following:

(1) The Bond Obligation, redemption or purchase price (including premium, if any) of the Outstanding Senior Lien Bonds to be refunded;

(2) All expenses incident to the calling, retiring or paying of such Outstanding Senior Lien Bonds, the Costs of Issuance of such refunding Senior Lien Bonds, ;

(3) Interest on all Outstanding Senior Lien Bonds to be refunded to the date such Senior Lien Bonds will be called for redemption or paid at maturity;

(4) Interest on the refunding Senior Lien Bonds from the date thereof to the date of payment or redemption of the Senior Lien Bonds or to be refunded;

(b) provided that the Authority delivers a Certificate of the Authority to the effect that the Authority projects that the Annual Debt Service on all Outstanding Obligations for each Fiscal Year after the issuance of the proposed additional Senior Lien Bonds will be less than the Annual Debt Service on all Outstanding Obligations for such Fiscal Years prior to the issuance of such proposed Senior Lien Bonds. The Senior Lien Bonds constitute Completion Obligations; provided, however, that prior to the incurrence of such Completion Obligations, the Authority shall furnish to the Trustee: (i) a certificate of a licensed architect or Consulting Engineer estimating the costs of completing the facilities for which such Completion Obligations are to be incurred, (ii) a Certificate of the Authority certifying that the amount of such Completion Obligations to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities as estimated by the architect or Consulting Engineer in respect of which such Completion Obligation is to be incurred and pay capitalized interest, if any, on Authority Obligations Outstanding during the completion period, and (iii) written evidence from the applicable credit rating agency or agencies that such Senior Lien Bonds will be rated at an investment grade rating by such credit rating agency.

Section 3.02 Proceedings for Issuance of Additional Obligations.

Whenever the Authority determines to issue Senior Lien Bonds subsequent to the initial issuance of the TIFIA Bond pursuant to this Indenture and the First Supplemental Indenture, the Authority shall, in addition to fulfilling the requirements of Article II and Section 3.01, file with or provide to the Trustee:

(a) a certificate of the Authority stating that no Event of Default specified in Section 6.01 has occurred and is then continuing;

(b) a certificate of the Authority stating that the applicable requirements of Section 3.01 have been satisfied;

(c) such amount, in cash or in the form of a Reserve Facility, as shall equal the Senior Lien Bonds Reserve Requirement, if any, for such Senior Lien Bonds for deposit in the Senior Lien Bonds Reserve Fund, as calculated by the Authority; and

(d) an Opinion of Bond Counsel to the effect that the Supplemental Indenture creating such Senior Lien Bonds has been executed and delivered by the Authority in accordance with this Indenture and that such Senior Lien Bonds, when duly executed by the Authority and authenticated and delivered by the Trustee, will be valid and binding obligations of the Authority.

Section 3.03 Restrictions on Issuance of Subordinate Obligations

Subordinate Obligations may be issued if the requirements of (a), (b) or (c) below are met.

(a) Subordinate Obligations may be issued for the purpose of refunding Outstanding Subordinate Obligations by providing funds for the payment of any or all of the following:

(1) The Bond Obligation, redemption or purchase price (including premium, if any) of the Outstanding Subordinate Obligations to be refunded;

(2) All expenses incident to the calling, retiring or paying of such Outstanding Subordinate Obligations, the Costs of Issuance of such refunding Subordinate Obligations, and any termination payments or other payments to the holders of obligations of the Authority entered into pursuant to California Government Code Section 5922 (or any similar statute) related to such Outstanding Subordinate Obligations;

(3) Interest on all Outstanding Subordinate Obligations to be refunded to the date such Subordinate Obligations will be called for redemption or paid at maturity;

(4) Interest on the refunding Subordinate Obligations from the date thereof to the date of payment or redemption of the Subordinate Obligations to be refunded;

provided that the Authority delivers a Certificate of the Authority to the effect that the Authority projects that the Annual Debt Service on all Outstanding Obligations for each Fiscal Year after the issuance of the proposed additional Subordinate Obligations will be less than the Annual Debt Service on all Outstanding Obligations for each Fiscal Year prior to the issuance of such proposed Subordinate Obligations; and provided further, that, if the maturity date of such additional Subordinate Obligations to be issued extends to a date later than the stated final maturity date of the Obligations being refunded, then Net Revenue in each Fiscal Year from and after the stated final maturity date of such refunded Obligations is projected to be not less one hundred thirty percent (130%) of the Annual Debt Service payable in each such Fiscal Year with respect to all Outstanding Obligations, including the proposed additional Subordinate Obligations.

Additionally, while the TIFIA Bond remains Outstanding, the Authority has received the written consent of the TIFIA Lender, if required under the applicable TIFIA Loan Agreement, in accordance with such TIFIA Loan Agreement, to such issuance.

(b) The Authority delivers a report of the Traffic Consultant to the effect that, as of the date of issuance of the additional Subordinate Obligations:

(1) Net Revenue during the preceding Calculation Period ending not more than ninety (90) days prior to the date of delivery of the proposed additional Subordinate Obligations, was sufficient to satisfy the requirements of Section 5.03(a) of this Indenture (which report may assume that a revision of the tolls that was approved and implemented by the Authority subsequent to the beginning of such Calculation Period had been in effect for the entire Calculation Period), and

(2) projected Net Revenue for each Fiscal Year over the term of the proposed additional Subordinate Obligations is expected be sufficient to satisfy the

requirements of Section 5.03(a)(2) and (3) of this Indenture in each Fiscal Year. In calculating projected Net Revenue, the Traffic Consultant shall take into account amounts projected to be received from any adopted toll increase or increases (provided that no additional approvals need to be obtained and no additional requirements need to be satisfied in order to implement any such increase or increases) and any additional toll lanes and facilities to be designated as included within the definition of Toll Road;

and, while the TIFIA Bond remains Outstanding, the Authority has received the written consent of the TIFIA Lender in accordance with the applicable TIFIA Loan Agreement to such issuance.

(c) Such Subordinate Obligations constitute Completion Obligations; provided, however, that prior to the incurrence of such Completion Obligations, the Authority shall furnish to the Trustee: (i) a certificate of a licensed architect or Consulting Engineer estimating the costs of completing the facilities for which such Completion Obligations are to be incurred and pay capitalized interest, if any, on Authority Obligations Outstanding during the completion period, and (ii) a Certificate of the Authority certifying that the amount of such Completion Obligations to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities as estimated by the architect or a Consulting Engineer in respect of which such Completion Obligations is to be incurred.

Additionally, while the TIFIA Bond remains Outstanding, the Authority has received the written consent of the TIFIA Lender, if required under the applicable TIFIA Loan Agreement, in accordance with such TIFIA Loan Agreement, to such issuance.

Section 3.04 Proceedings for Issuance of Subordinate Obligations.

Whenever the Authority determines to issue Subordinate Obligations, the Authority shall, in addition to fulfilling the requirements of Article II and Section 3.03, file with or provide to the Trustee:

(a) a certificate of the Authority stating that no Event of Default specified in Section 7.01 has occurred and is then continuing;

(b) a certificate of the Authority stating that the applicable requirements of Section 3.03 have been satisfied;

(c) such amount, in cash or in the form of a Reserve Facility, as shall equal the Subordinate Obligations Reserve Requirement, if any, as of the date of issuance of such Series of Subordinate Obligations, for deposit in the Subordinate Obligations Reserve Fund as calculated by the Authority; and

(d) an Opinion of Bond Counsel to the effect that the Supplemental Indenture creating such Series of Subordinate Obligations has been executed and delivered by the Authority in accordance with this Indenture and that such Series of Subordinate Obligations, when duly executed by the Authority and authenticated and delivered by the Trustee, will be valid and binding obligations of the Authority.

ARTICLE III

REDEMPTION

Section 3.05 Redemption and Purchase of Obligations. Each Series of Obligations may be made subject to mandatory or optional redemption or mandatory or optional tender and purchase prior to their respective stated maturities, as a whole or in part, at such time or times, upon such terms and conditions, at such prices, upon such notice and with such effect as may be provided in the Supplemental Indenture creating such Series of Obligations.

Section 3.06 Notice of Redemption. Unless otherwise specified in a Supplemental Indenture creating a Series of Obligations, each notice of redemption shall be mailed by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date, to each Owner and to the MSRB. Notice of redemption to the Owners shall be given by first class mail. Each notice of redemption shall state the date of such notice, the date of issue of the Series of Obligations to which such notice relates, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, in the case of a Series of Obligations to be redeemed in part only, the identity of the Obligations to be redeemed. Except as provided in Section 4.03 in the case of conditional optional redemption, each such notice shall also state that on said date there will become due and payable on each of said Obligations the redemption price thereof, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Obligations be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Obligation or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers. Failure of any Owner to receive any notice of redemption or any defect therein shall not affect the sufficiency of any proceedings for redemption.

Section 3.07 Conditional Notice of Redemption; Rescission. Any notice of optional redemption of the Obligations delivered in accordance with Section 4.02 may be conditional, and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the Authority shall not be required to redeem the Obligations thereby called for redemption, such Obligations shall not become due and payable, and the redemption shall be cancelled and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. In addition, the Authority may, at its option, on or prior to the date fixed for optional redemption in any notice of redemption of the Obligations, rescind and cancel such notice of redemption by Written Request of the Authority to the Trustee, and any optional redemption of Obligations and notice thereof shall be rescinded and cancelled and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled pursuant to the provisions of Section 4.02. Any optional redemption of Obligations

and notice thereof shall be rescinded and cancelled if for any reason on the date fixed for optional redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Obligations called for optional redemption and such failure to optionally redeem the Obligations called for redemption shall not be a default hereunder.

Section 3.08 Effect of Redemption. Notice of redemption having been duly given as aforesaid or as otherwise provided in a Supplemental Indenture, and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, the Obligations (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Obligations (or portions thereof) so called for redemption shall become due and payable at the redemption price specified in this Indenture, together with interest accrued thereon to the date fixed for redemption, interest on the Obligations so called for redemption shall cease to accrue, said Obligations (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Obligations shall have no rights in respect thereof except to receive payment of said redemption price and accrued interest to the date fixed for redemption.

Section 3.09 Partial Redemption of Obligations. Upon surrender of any Obligation to be redeemed in part only, the Authority shall execute, and the Trustee shall authenticate and deliver to the Owner of such Obligation, at the expense of the Authority, a new Obligation or Obligations of Authorized Denominations equal in Bond Obligation to the unredeemed portion of the Obligation surrendered, of the same Series, maturity and terms as the surrendered Obligation.

ARTICLE IV

PLEDGE; FUNDS AND ACCOUNTS

Section 4.01 Deposit of Revenue by Trustee; Toll Revenue Fund.

(a) All Toll Revenues received and receivable by the Authority and pledged and assigned by this Indenture to the Trustee, together with the balance of the Trust Estate, are to be paid directly to the Trustee and deposited by it in the Funds and Accounts described in this Article V and held in trust for the purposes set forth herein, and, except as otherwise provided herein, shall not be subject to any lien, levy, garnishment or attachment by any creditor of the Authority nor shall they be subject to any assignment or hypothecation by the Authority. Subject only to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth herein and therein, the Trustee shall be entitled to and shall collect and receive all of the Toll Revenues, and any Toll Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. Moneys on deposit in the Funds and Accounts described in this Article V (excluding the Rebate Fund, the Unpledged Account and any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument) shall be held by the Trustee or the Authority, as applicable, in trust, and pending application in accordance with the provisions of this Article V shall be subject to a lien and charge in favor of the Holders until applied as hereinafter provided. The Trustee shall at all times maintain accurate records of deposits into such Funds and Accounts and the sources and timing of such deposits.

(b) As long as any Obligations or Reserve Facility Costs remain unpaid, the Authority hereby assigns and shall cause Toll Revenues to be transmitted by the Toll Operator on at least a weekly basis directly to the Trustee for deposit in a trust fund, designated as the "Toll Revenue Fund," which Fund the Trustee shall establish and maintain in trust. Investment income on amounts held by the Trustee in the Toll Revenue Fund shall also be deposited in the Toll Revenue Fund. All moneys at any time held in the Toll Revenue Fund shall be held in trust for the benefit of the holders of the Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Indenture.

Section 4.02 Establishment of Funds and Accounts.

(a) In addition to the Toll Revenue Fund established pursuant to Section 4.01, the following Funds and Accounts are hereby established and created and shall be maintained in trust by the Trustee:

(1) the Project Fund, and within the Project Fund, the Senior Lien Bonds Account, the Subordinate Obligations Account, the Design-Build Contractor Payments Account and the Insurance and Condemnation Proceeds Account;

(2) the Rebate Fund;

(3) the Senior Lien Bonds Fund and, within the Senior Lien Bonds Fund, the Senior Lien Bonds Interest Account and the Senior Lien Bonds Principal Account and the Senior Obligations Prepayment Account;

(4) the Senior Lien Bonds Reserve Fund;

(5) the Subordinate Obligations Fund and, within the Subordinate Obligations Fund, the Subordinate Obligations Interest Account, the Subordinate Obligations Principal Account;

(6) the Subordinate Obligations Reserve Fund;

(7) the Operation and Maintenance Reserve Fund;

(8) the Major Maintenance Reserve Fund;

(9) Redemption Fund; and

(10) the Distribution Lock-Up Fund, and within the Distribution Lock-Up Fund, the Pledged Account and the Unpledged Account.

and the following Funds are hereby established and created and shall be maintained by the Authority:

(11) the Operation and Maintenance Fund; and

(12) the Unpledged Account.

In addition, upon the written request of the Authority, the Trustee shall establish and maintain additional temporary Funds or Accounts or sub-accounts for the purposes specified in any such request.

(b) All of the Funds and Accounts (other than the Operation and Maintenance Fund and the Unpledged Account) shall be held by the Trustee and, except as expressly provided herein, the Authority shall not have any right to withdraw funds from any Fund or Account established pursuant to Section 4.02(a). The Authority hereby irrevocably authorizes the Trustee to credit funds to or deposit funds in, and to withdraw and transfer funds from, each Fund or Account in accordance with the terms of this Indenture.

Section 4.03 Toll Revenue Fund: Priority of Deposits and Transfers.

(a) From and after the Substantial Completion Date for the I-405 Improvement Project, except for amounts to be deposited in other Funds or Accounts pursuant to this Article, the Authority shall promptly deposit or cause to be deposited into the Toll Revenue Fund all Revenue and transfers from other Funds or Accounts as required by the terms of this Indenture.

(b) From and after the Substantial Completion Date for the I-405 Improvement Project, subject to Section 4.20 hereof, including the delivery of a Funds Transfer Certificate by the Authority (to the extent required by such Section 4.20), the Trustee shall make the following transfers and payments from the Toll Revenue Fund in the amounts, at the times and only for the purposes specified below and in the following order of priority (it being agreed that no amount shall be transferred on any date pursuant to any clause below until amounts sufficient as of that Monthly Funding Date (to the extent applicable) for all the purposes specified under the prior clauses shall have been transferred or set aside):

First, to the Operation and Maintenance Fund, the amount necessary to increase the balance of the Operation and Maintenance Fund to an amount equal to the Operation and Maintenance Expenses then due and payable;

Second, any payments then due and payable by the Authority to the Rebate Fund or any similar rebate fund established with respect to any future tax-exempt borrowing transaction under this Indenture;

Third, to the Senior Lien Bonds Interest Account the sum of (A)(1) in the case of Outstanding Senior Lien Bonds with semiannual interest payment dates, one-sixth (1/6) of the amount of the interest payable on such Senior Lien Bonds on the next interest payment date; (2) in the case of Outstanding Senior Lien Bonds with quarterly interest payment dates, one-third (1/3) of the amount of the interest payable on such Senior Lien Bonds on the next interest payment date; and (3) in the case of Outstanding Senior Lien Bonds with monthly interest payment dates, the amount of interest payable on such Senior Lien Bonds on the next interest payment date; plus (B) the sum of any continuing shortfall in transfers required to have been made to the Senior Lien Bonds Interest Account on any preceding Monthly Funding Date; plus (C) if such Monthly Funding Date is also an interest payment date or the last Monthly Funding Date before an interest payment date on any Senior Lien Bonds, any other amount required to make the amount credited to the Senior Lien Bonds Interest Account equal to the amount payable on such Senior Lien Bonds on such interest payment

date; provided, however, that with respect to the TIFIA Bond, only the interest component of TIFIA Mandatory Debt Service shall be set aside pursuant to this Third clause;

Fourth, commencing twelve months before the first annual principal payment date (including any mandatory sinking fund redemption date) or six months before the first semi-annual principal payment date (including any mandatory sinking fund redemption date), to the Senior Lien Bonds Principal Account, the sum of (A)(1) in the case of Outstanding Senior Lien Bonds with annual principal or mandatory sinking fund payment dates, one-twelfth (1/12) of the principal and mandatory sinking fund redemptions due on such Senior Lien Bonds; and (2) in the case of Outstanding Senior Lien Bonds with semi-annual principal or mandatory sinking fund payment dates, one-sixth (1/6) of the principal and mandatory sinking fund redemptions due on such Senior Lien Bonds; and (B) the sum of any shortfall in transfers required to have been made to the Senior Lien Bonds Principal Account on any previous Monthly Funding Date; and (C) if the Monthly Funding Date is also a principal payment date (or mandatory sinking fund redemption date) or the last Monthly Funding Date before a principal payment date (or mandatory sinking fund redemption date) on any Senior Lien Bonds, any other amount required to make the amount credited to the Senior Lien Bonds Principal Account equal to the amount of principal due on such Senior Lien Bonds on such principal payment date or mandatory sinking fund redemption date, provided, however, that with respect to the TIFIA Bond Senior Lien Bonds, only the principal component of TIFIA Mandatory Debt Service shall be set aside pursuant to this Fourth clause;

Fifth, to the Senior Lien Bonds Reserve Fund (or the applicable Account therein) the amount necessary so that the balance therein equals the applicable Senior Lien Bonds Reserve Requirement; provided, however, that in the event that the Trustee shall have withdrawn moneys in the Senior Lien Bonds Reserve Fund or any Account therein for the purpose of paying principal of or interest on the applicable Senior Lien Bonds when due as provided in this Indenture, the Trustee shall limit such deposit to the Senior Lien Bonds Reserve Fund or the applicable Account therein, on each of the next twelve Monthly Funding Dates after such withdrawal, to an amount equal to one-twelfth (1/12th) of the aggregate amount of each such withdrawal until the amount on deposit in the Senior Lien Bonds Reserve Fund (or the applicable Account therein) is equal to the applicable Senior Lien Bonds Reserve Requirement; provided further however, that in the event such requirements cannot be fully funded, the funds available shall be transferred to each Account in the Senior Lien Bonds Reserve Fund ratably in accordance with its respective shortfall;

Sixth, to the Senior Obligations Interest Account, an amount which equals one-sixth (1/6) of the TIFIA Scheduled Debt Service (excluding any amounts to be applied to TIFIA Mandatory Debt Service in accordance with the Third and Fourth clauses above) due and payable on the immediately succeeding payment date for such TIFIA Loan;

Seventh, to the Subordinate Obligations Interest Account the sum of (A)(1) in the case of Outstanding Subordinate Obligations with semi-annual interest payment dates, one-sixth (1/6) of the interest payable on such Subordinate Obligations on the next interest payment date; (2) in the case of Outstanding Subordinate Obligations with quarterly interest payment dates, one-third (1/3) of the amount of the interest payable on such Subordinate Obligations on the next interest payment date; and (3) in the case of Outstanding Subordinate Obligations with monthly interest payment dates, the interest payable on such Subordinate Obligations on the next interest payment date; plus (B) the sum of any continuing shortfall in transfers required to have been made to the Subordinate Obligations Interest Account on any preceding Monthly Funding Date; plus (C) if such Monthly

Funding Date is also an interest payment date or the last Monthly Funding Date before an interest payment date on any Subordinate Obligations, any other amount required to make the amount credited to the Subordinate Obligations Interest Account equal to the interest payable on such Subordinate Obligations on such interest payment date;

Eighth, commencing twelve months before the first annual principal payment date (including any mandatory sinking fund redemption date) or six months before the first semi-annual principal payment date (including any mandatory sinking fund redemption date), to the Subordinate Obligations Principal Account the sum of (A)(1) in the case of Outstanding Subordinate Obligations with annual principal payment dates, one-twelfth (1/12) of the principal due on such Subordinate Obligations on the next principal payment date; and (2) in the case of Outstanding Subordinate Obligations with semi-annual principal payment dates, one-sixth (1/6) of the principal redemptions due on such Subordinate Obligations on the next principal payment date; plus (B) the sum of any shortfall in transfers required to have been made to the Subordinate Obligations Principal Account on any previous Monthly Funding Date; plus (C) if the Monthly Funding Date is also a principal payment date or the last Monthly Funding Date before a principal payment date (or mandatory sinking fund redemption date) on any Subordinate Obligations, any other amount required to make the amount credited to the Subordinate Obligations Principal Account equal to the amount of principal due on such Subordinate Obligations on such principal payment date or mandatory sinking fund redemption date;

Ninth, to the Subordinate Obligations Reserve Fund (or the applicable Account therein), the amount, if any, necessary to increase the balance therein (taking into account amounts then on deposit therein) to the Subordinate Obligations Reserve Requirement;

Tenth, to the extent sufficient funds are then available after application of funds for the purposes specified in the prior clauses of this Section 5.03(b), to the Operation and Maintenance Reserve Fund, an amount necessary to increase the balance therein (taking into account amounts then on deposit therein) to the Operation and Maintenance Reserve Requirement. If sufficient funds are not then available on a particular Monthly Funding Date, after application of funds for the purposes specified in the prior clauses, to fund the Operation and Maintenance Reserve Fund in an amount equal to the Operation and Maintenance Reserve Requirement, the Authority may use funds on each subsequent Monthly Funding Date to satisfy the cumulative shortfall in the Operation and Maintenance Reserve Requirement from previous Monthly Funding Dates;

Eleventh, to the extent sufficient funds are then available after application of funds for the purposes specified in the prior clauses of this Section 5.03(b), to the Major Maintenance Reserve Fund, an amount necessary to increase the balance therein (taking into account amounts then on deposit therein) to the Major Maintenance Reserve Requirement. If sufficient funds are not then available on a particular Monthly Funding Date, after application of funds for the purposes specified in the prior clauses, to fund the Major Maintenance Reserve Fund in an amount equal to the Major Maintenance Reserve Requirement, the Authority may use funds on each subsequent Monthly Funding Date to satisfy the cumulative shortfall in the Major Maintenance Reserve Requirement from previous Monthly Funding Dates; and

Twelfth, to the Distribution Lock-Up Fund, all remaining amounts, if any.

(c) To the extent that on any Calculation Date or any other date of determination requested by the Authority, the Authority determines that (i) the amounts on deposit in the Senior Lien Bonds Reserve Fund are in excess of the applicable Senior Lien Bonds Reserve Requirement, (ii) amounts on deposit in the Subordinate Obligations Reserve Fund are in excess of the applicable Subordinate Obligations Reserve Requirement, (iii) the amounts on deposit in the Major Maintenance Reserve Fund are certified by the Authority to be in excess of the Major Maintenance Reserve Fund Requirement or (v) the amounts on deposit in the Operation and Maintenance Reserve Fund are in excess of the Operation and Maintenance Reserve Requirement, then in each such case, as applicable, the excess amounts shall be transferred into the Toll Revenue Fund.

Section 4.04 Project Fund.

(a) Accounts. Pursuant to Section 4.02(a) hereof, the Trustee is to establish and create and maintain in trust the following separate Accounts within the Project Fund:

- (1) the Senior Lien Bonds Account;
- (2) the Subordinate Obligations Account;
- (3) the Design-Build Contractor Payments Account; and
- (4) the Insurance and Condemnation Proceeds Account.

Project Costs shall be paid from the Project Fund and its Accounts, including the Senior Lien Bonds Account, the Subordinate Obligations Account, the Design-Build Contractor Payments Account and the Insurance and Condemnation Proceeds Account as described below. The Authority shall be entitled to open new Accounts of the Project Fund for such purposes as may be set forth in a Supplemental Indenture.

(b) Senior Lien Bonds Account. The net proceeds of each Series of the Senior Lien Bonds shall be deposited by the Trustee into the applicable sub-account of the Senior Lien Bonds Account as provided by the applicable Supplemental Indenture. The Senior Lien Bonds Account and all sub-accounts therein shall be maintained in order to account for the receipt and disbursement of proceeds (and all earnings thereon) of the Senior Lien Bonds, including but not limited to, the payment of, or reimbursement for a prior payment of, Costs of Issuance of Senior Lien Bonds and other Project Costs permitted to be paid with the proceeds of such Senior Lien Bonds. Funds therein shall be disbursed pursuant to a Funds Transfer Certificate in accordance with the provisions of Section 4.20. Notwithstanding anything to the contrary set forth herein, the amounts on deposit in any such sub-account of the Senior Lien Bonds Account (and all earnings thereon) shall secure only the Senior Lien Bonds issued to fund the initial deposit to such sub-account, and such amounts shall be held by the Trustee hereunder solely for the benefit of the holders of such Senior Lien Bonds until such funds have been disbursed in accordance with this Section. The Authority shall deposit the net proceeds of each draw under each TIFIA Loan Agreement on the respective funding date of such draw in a dedicated sub-account of the Authority in accordance with, and used for the payment of Eligible Project Costs (as such term is defined in the applicable TIFIA Loan Agreement) in accordance with the applicable TIFIA Loan Agreement. Notwithstanding anything to the contrary set forth herein, the amounts on deposit in any such sub-account of the Senior Obligations Account (and all earnings thereon) shall secure only the TIFIA Bond, and such amounts shall be held by the Trustee hereunder

solely for the benefit of the TIFIA Lender until such funds have been disbursed in accordance with this Section.

(c) Subordinate Obligations Account. The net proceeds of Subordinate Obligations shall be deposited by the Trustee into the applicable sub-account of the Subordinate Obligations Account as provided by the applicable Supplemental Indenture. The Subordinate Obligations Account and all sub-accounts therein shall be maintained in order to account for the receipt and disbursement of proceeds (and all earnings thereon) of the Subordinate Obligations, including but not limited to, the payment of, or reimbursement for a prior payment of, Costs of Issuance of Subordinate Obligations and other Project Costs permitted to be paid with the proceeds of such Subordinate Obligations. Funds therein shall be disbursed pursuant to a Funds Transfer Certificate in accordance with the provisions of Section 4.20.

(d) Design-Build Contractor Payments Account. Amounts, including but not limited to liquidated damages, payable to or received by the Authority from the Design-Build Contractor shall be transferred to the Trustee and deposited by the Trustee into the Design-Build Contractor Payments Account and used to pay Project Costs. The Authority shall comply with Section 4.20, including the delivery of a Funds Transfer Certificate (to the extent required by such Section 4.20) in requesting a disbursement of funds from time to time from the Design-Build Contractor Payments Account.

(e) Insurance and Condemnation Proceeds Account. Proceeds of fire and other casualty insurance payable to or received by the Authority with respect to the Toll Road (whether by way of claims, return of premiums, ex gratia settlements or otherwise), and proceeds of any condemnation awards payable to or received by the Authority with respect to the Toll Road shall be transferred to the Trustee and deposited by the Trustee into the Insurance and Condemnation Proceeds Account. If received prior to the applicable Substantial Completion Date, amounts on deposit in such account shall be used to pay Project Costs and shall be transferred in accordance with subsection (f) below. If received after the applicable Substantial Completion Date, amounts on deposit in the Insurance and Condemnation Proceeds Account may be used by the Authority to pay the costs of restoration, repair or rehabilitation of the Toll Road or portion thereof to which such insurance or condemnation proceeds relate; provided, however, that any portion of such amounts that the Authority elects not to use for such restoration, repair or rehabilitation of the Toll Road or that are in excess of the amount needed for such restoration, repair or rehabilitation of the Toll Road, as evidenced by a Certificate of the Authority delivered to the Trustee, shall be transferred to the Redemption Fund and applied to the prepayment of principal of Outstanding Highest Priority Obligations. The Authority shall comply with Section 4.20, including the delivery of a Funds Transfer Certificate (to the extent required by such Section 4.20) in requesting a disbursement of funds from time to time from the Design-Build Contractor Payments Account.

(f) Transfers Upon Final Completion. To the extent that on the date of final completion of the construction of the I-405 Improvement Project, as evidenced by the delivery to the Trustee of a Certificate of the Authority, there shall be any funds remaining on deposit in the Project Fund (or any Account thereof), such funds will be deposited into the Toll Revenue Fund.

Section 4.05 Operation and Maintenance Fund.

(a) The Authority shall establish and maintain the Operation and Maintenance Fund in accordance herewith.

(b) Upon receipt of amounts transferred to the Operation and Maintenance Fund under Article V of this Indenture, the Authority shall thereafter apply the funds in the Operation and Maintenance Fund for the payment of Operation and Maintenance Expenses in accordance with the terms of this Indenture..

Section 4.06 Senior Lien Bonds Reserve Fund.

(a) On the date of issuance of any Series of Senior Lien Bonds that has a Senior Lien Bonds Reserve Requirement, the Senior Lien Bonds Reserve Requirement for those Senior Lien Bonds shall be deposited in the Senior Lien Bonds Reserve Fund in an Account solely for the benefit of those Senior Lien Bonds. Alternatively, the Supplemental Indenture for any Series of Senior Lien Bonds may establish a pooled Senior Lien Bonds Reserve Requirement for that Series of Senior Lien Bonds and any one or more subsequently issued Series of Senior Lien Bonds with the same pooled Senior Lien Bonds Reserve Requirement, in which case the Senior Lien Bonds Reserve Requirement for the initial issue of such Senior Lien Bonds shall be deposited in the Senior Lien Bonds Reserve Fund in an Account solely for the benefit of those Senior Lien Bonds and any additional Senior Lien Bonds with the same pooled Senior Lien Bonds Reserve Requirement, and on the date of issuance of any such additional Senior Lien Bonds, there shall be deposited in the Account the amount necessary to increase the balance in the Account to an amount equal to the Senior Lien Bonds Reserve Requirement for all Senior Lien Bonds secured by that Account.

(b) Monies on deposit in each Account within the Senior Lien Bonds Reserve Fund shall be applied by the Trustee as follows:

(1) If on any (x) interest payment date for Senior Lien Bonds cured by an Account within the Senior Lien Bonds Reserve Fund, (y) principal payment date for such Senior Lien Bonds or (z) redemption date on which such Senior Lien Bonds are subject to mandatory sinking fund redemption, the amount on deposit in the applicable Account of the Senior Lien Bonds Fund, determined after taking into account all amounts transferred to such Account of the Senior Lien Bonds Fund in accordance with clauses Third and Fourth of Section 4.03(b), and amounts transferred from the following Funds in the following order of priority, the Pledged Account, the Distribution Lock-Up Fund, the Major Maintenance Reserve Fund and the Operation and Maintenance Reserve Fund in accordance with this Indenture on or prior to such date, is not sufficient to pay interest and/or principal and/or the redemption price (excluding any redemption premium) due on such Senior Lien Bonds, then moneys shall be transferred to the Senior Lien Bonds Interest Account and/or the Senior Lien Bonds Principal Account, as applicable, from the applicable Account of the Senior Lien Bonds Reserve Fund which, together with moneys then on deposit in the applicable Account of the Senior Lien Bonds Fund, will be sufficient to pay interest and/or principal and/or the redemption price (excluding any redemption premium) due on such Senior Lien Bonds on such date. Moneys shall be transferred first to the Senior Lien Bonds Interest Account until such Account, together with any available funds then on deposit in the Senior Lien Bonds Interest Account, is sufficiently funded with respect to such Senior Lien Bonds and thereafter,

to the Senior Lien Bonds Principal Account until such Account, together with any available funds then on deposit in the Senior Lien Bonds Principal Account, is sufficiently funded with respect to such Senior Lien Bonds.

(2) Upon the maturity of Senior Lien Bonds secured by funds on deposit in an Account of the Senior Lien Bonds Reserve Fund or upon the earlier redemption of all or any portion of such Senior Lien Bonds, the Authority may direct the Trustee to transfer amounts on deposit in the applicable Account within the Senior Lien Bonds Reserve Fund to the Senior Lien Bonds Principal Account for application to the final payment of principal of all or a portion of the Senior Lien Bonds secured thereby or to an escrow account established for defeasance of such Senior Lien Bonds pursuant to Article X hereof, provided that, if less than all of the Senior Lien Bonds mature or are redeemed, the amount remaining on deposit in such Account of the Senior Lien Bonds Reserve Fund following any such transfer shall not be less than the Senior Lien Bonds Reserve Requirement applicable to the Senior Lien Bonds secured thereby to remain Outstanding.

(3) Except as provided in paragraph (2) above, any amounts on deposit in an Account of the Senior Lien Bonds Reserve Fund in excess of the applicable Senior Lien Bonds Reserve Requirement shall be applied in accordance with Section 4.03(c) of this Indenture.

(c) The lien on the Senior Lien Bonds Reserve Fund (and all earnings thereon) shall apply only to the Senior Lien Bonds and the related interest of the Holder of such Senior Lien Bonds with respect to amounts on deposit in such Fund from time to time, and such amounts shall be solely for the benefit of such holder of Senior Lien Bonds until such funds have been disbursed in accordance with this Section. If necessary, the Authority shall instruct the Trustee to create Accounts within the Senior Lien Bonds Reserve Fund to facilitate compliance with the provisions of this paragraph.

(d) The Senior Lien Bonds Reserve Requirement for any Series of Senior Lien Bonds may be permitted or required by the Supplemental Indenture establishing the Senior Lien Bonds Reserve Requirement to be funded in whole or in part with a Reserve Facility. The terms and conditions for any Reserve Facility shall be set forth in the Reserve Facility or the Supplemental Indenture establishing the Senior Lien Bonds Reserve Requirement to be met in whole or in part by the Reserve Facility, provided that those terms and conditions shall conform to and be consistent with the provisions set forth in this Section 4.08. The Trustee shall withdraw cash (and liquidate investments to produce cash) and draw on Reserve Facilities in or with respect to any Account in the Senior Lien Bonds Reserve Fund to fund payments of principal of and interest on Senior Lien Bonds supported by such Account in the Senior Lien Bonds Reserve Fund in the manner and in the order specified herein and in the applicable Supplemental Indenture or Supplemental Indentures. This Indenture shall not be discharged until all Reserve Facility Costs owing to a Reserve Facility Provider have been paid in full.

Section 4.07 Subordinate Obligations Reserve Fund.

(a) The Subordinate Obligations Reserve Requirement for those Subordinate Obligations secured by the Subordinate Obligations Reserve Fund or an Account therein shall be deposited in the Subordinate Obligations Reserve Fund in an Account solely for the benefit of those

Subordinate Obligations on the dates and in the amounts set forth in the Supplemental Indenture authorizing the issuance of such Subordinate Obligations; provided, however, alternatively, the Supplemental Indenture for any Series of Subordinate Obligations may establish a pooled Subordinate Obligations Reserve Requirement for those Subordinate Obligations and any one or more subsequently issued Subordinate Obligations with the same pooled Subordinate Obligations Reserve Requirement, in which case the Subordinate Obligations Reserve Requirement for the initial issue of such Subordinate Obligations shall be deposited in the Subordinate Obligations Reserve Fund in an Account solely for the benefit of those Subordinate Obligations and any additional Subordinate Obligations with the same pooled Subordinate Obligations Reserve Requirement, and on the date of issuance of any such additional Subordinate Obligations, there shall be deposited in the Account the amount necessary to increase the balance in the Account to an amount equal to the Subordinate Obligations Reserve Requirement for all Subordinate Obligations secured by that Account.

(b) Monies on deposit in each Account within the Subordinate Obligations Reserve Fund shall be applied by the Trustee as follows:

(1) If on any (x) interest payment date for Subordinate Obligations secured by an Account within the Subordinate Obligations Reserve Fund, (y) principal payment date for such Subordinate Obligations or (z) redemption date on which such Subordinate Obligations are subject to mandatory sinking fund redemption, the amount on deposit in the applicable Account of the Subordinate Obligations Fund, determined after taking into account all amounts transferred to such Account of the Subordinate Obligations Fund in accordance with clauses Ninth, Tenth and Twelfth of Section 4.03(b), and amounts transferred from the following Funds in the following order of priority, the Unpledged Account, the Distribution Lock-Up Fund, the Major Maintenance Reserve Fund and the Operation and Maintenance Fund in accordance with this Indenture on or prior to such date, is not sufficient to pay interest and/or principal and/or the redemption price (excluding any redemption premium) due on such Subordinate Obligations, then moneys shall be transferred to the Subordinate Obligations Interest Account and/or the Subordinate Obligations Principal Account, as applicable, from the applicable Account of the Subordinate Obligations Reserve Fund which, together with moneys then on deposit in the applicable Account of the Subordinate Obligations Fund, will be sufficient to pay interest and/or principal and/or the redemption price (excluding any redemption premium) due on such Subordinate Obligations on such date. Moneys shall be transferred first to the Subordinate Obligations Interest Account until such Account, together with any available funds then on deposit in the Subordinate Obligations Interest Account, is sufficiently funded with respect to such Subordinate Obligations and thereafter, to the Subordinate Obligations Principal Account until such Account, together with any available funds then on deposit in the Subordinate Obligations Principal Account, is sufficiently funded with respect to such Subordinate Obligations.

(2) Upon the maturity of Subordinate Obligations secured by funds on deposit in an Account of the Subordinate Obligations Reserve Fund or upon the earlier redemption of all or any portion of such Subordinate Obligations, the Authority may direct the Trustee to transfer amounts on deposit in the applicable Account within the Subordinate Obligations Reserve Fund to the Subordinate Obligations Principal Account for application to the final payment of principal of all or a portion of the Subordinate Obligations secured thereby or to an escrow account established for defeasance of such Subordinate Obligations

pursuant to Article IX hereof, provided that, if less than all of the Subordinate Obligations mature or are redeemed, the amount remaining on deposit in such Account of the Subordinate Obligations Reserve Fund following any such transfer shall not be less than the Subordinate Obligations Reserve Requirement applicable to the Subordinate Obligations secured thereby to remain Outstanding.

(3) Except as provided in paragraph (2) above, any amounts on deposit in an Account of the Subordinate Obligations Reserve Fund in excess of the applicable Subordinate Obligations Reserve Requirement shall be applied in accordance with Section 5.03(c) of this Indenture.

(c) The lien on the Subordinate Obligations Reserve Fund (and all earnings thereon) shall apply only to the Subordinate Obligations and the related interest of the Holder of such Subordinate Obligations with respect to amounts on deposit in such Fund from time to time, and such amounts shall be solely for the benefit of such holder of Subordinate Obligations until such funds have been disbursed in accordance with this Section. If necessary, the Authority shall instruct the Trustee to create Accounts within the Subordinate Obligations Reserve Fund to facilitate compliance with the provisions of this paragraph.

(d) The Subordinate Obligations Reserve Requirement for any Series of Subordinate Obligations may be permitted or required by the Supplemental Indenture establishing the Subordinate Obligations Reserve Requirement to be funded in whole or in part with a Reserve Facility. The terms and conditions for any Reserve Facility shall be set forth in the Reserve Facility or the Supplemental Indenture establishing the Subordinate Obligations Reserve Requirement to be met in whole or in part by the Reserve Facility, provided that those terms and conditions shall conform to and be consistent with the provisions set forth in this Section 4.07. The Trustee shall withdraw cash (and liquidate investments to produce cash) and draw on Reserve Facilities in or with respect to any Account in the Subordinate Obligations Reserve Fund to fund payments of principal of and interest on Subordinate Obligations supported by such Account in the Subordinate Obligations Reserve Fund in the manner and in the order specified herein and in the applicable Supplemental Indenture or Supplemental Indentures. This Indenture shall not be discharged until all Reserve Facility Costs owing to a Reserve Facility Provider have been paid in full.

Section 4.08 Major Maintenance Reserve Fund.

(a) The Trustee shall, in accordance with clause Tenth of Section 4.03(b), cause amounts in the Toll Revenue Fund, to the extent available, to be deposited into the Major Maintenance Reserve Fund from time to time in an amount equal to the Major Maintenance Reserve Requirement. Any amounts on deposit in the Major Maintenance Reserve Fund certified by the Authority as no longer being needed for Major Maintenance Expenses shall be applied in accordance with the requirements of Section 4.03(c) of this Indenture.

(b) On any date on which Major Maintenance Expenditures are due and payable or reasonably expected to become due and payable, monies on deposit in the Major Maintenance Reserve Fund shall be applied by the Trustee pursuant to a Written Request of Authority to pay such Major Maintenance Expenditures.

(c) If, after transferring any funds then on deposit in the Pledged Account in accordance with Section 4.10() hereof and the Distribution Lock-Up Fund in accordance with Section 4.10() hereof, on the Business Day prior to an interest payment date or principal payment date, the amount then on deposit in the Senior Lien Bonds Fund or the Subordinate Obligations Fund is insufficient to pay the principal of, and/or interest on, the related Senior Lien Bonds and/or Subordinate Obligations secured thereby then due, the Trustee shall make the following transfers from amounts on deposit in the Major Maintenance Reserve Fund in the following order of priority; first, to the Senior Lien Bonds Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Senior Lien Bonds and to the Subordinate Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Subordinate Obligations.

Section 4.09 Operation and Maintenance Reserve Fund. The Trustee shall, in accordance with clause Eleventh of Section 4.03(b), cause amounts in the Toll Revenue Fund, to the extent available, to be deposited into the Operation and Maintenance Reserve Fund from time to time in an amount equal to the Operation and Maintenance Reserve Requirement. Any amounts on deposit in the Operation and Maintenance Reserve Fund certified by the Authority as no longer being needed for Operation and Maintenance Expenses shall be applied in accordance with the requirements of Section 4.03(c) of this Indenture.

(b) On any date on which Operation and Maintenance Expenses are due and payable or reasonably expected to become due and payable, monies on deposit in the Operation and Maintenance Reserve Fund shall be applied by the Trustee pursuant to a Written Request of Authority to pay such Operation and Maintenance Expenses.

(c) If, after transferring any funds then on deposit in the Pledged Account in accordance with Section 4.10() hereof, the Distribution Lock-Up Fund in accordance with Section 4.10() hereof and the Major Maintenance Reserve Fund in accordance with Section 4.08, on the Business Day prior to an interest payment date or principal payment date, the amount then on deposit in the Senior Lien Bonds Fund or the Subordinate Obligations Fund is insufficient to pay the principal of, and/or interest on, the related Senior Lien Bonds and/or Subordinate Obligations secured thereby then due, the Trustee shall make the following transfers from amounts on deposit in the Operation and Maintenance Reserve Fund in the following order of priority; first, to the Senior Lien Bonds Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Senior Lien Bonds; and second, to the Subordinate Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Subordinate Obligations.

Section 4.10 Distribution Lock-Up Fund.

(a) On each Monthly Funding Date, the Trustee shall, in accordance with clause Thirteenth of Section 4.03(b), cause amounts in the Toll Revenue Fund, to the extent available after application of funds for the purposes specified in clauses First through Eleventh of Section 4.03(b), to be deposited into the Distribution Lock-Up Fund.

(b) If, after transferring any funds then on deposit in the Pledged Account in accordance with Section 4.10() hereof, on the Business Day prior to an interest payment date or principal payment date, the amount then on deposit in the Senior Lien Bonds Fund or the Subordinate

Obligations Fund is insufficient to pay the principal of, and/or interest on, the related Senior Lien Bonds and/or Subordinate Obligations secured thereby then due, the Trustee shall make the following transfers from amounts on deposit in the Distribution Lock-Up Fund in the following order of priority; first, to the Senior Lien Bonds Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Senior Lien Bonds and second, to the Subordinate Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Subordinate Obligations.

(c) 0

Commented [A1]: Revise per Section 17(d) of the TIFIA Loan Agreement

Section 4.11 Rebate Fund. There shall be deposited in the Rebate Fund amounts transferred in accordance with clause Second of Section 4.03(b). All money at any time deposited in the Rebate Fund shall be held by the Trustee to satisfy the Rebate Requirement (as defined in the Tax Certificate) for payment to the United States of America. The Trustee shall have no responsibility with respect to the Rebate Fund or the Rebate Requirement except to follow the written instructions of the Authority.

Section 4.12 Senior Lien Bonds Interest Account.

(a) On each Monthly Funding Date, the Trustee shall, in accordance with clauses Third and Sixth of Section 4.03(b), cause amounts in the Toll Revenue Fund, to the extent available after application of funds for the purposes specified in clauses First and Second of Section 4.03(b), and to the extent applicable, clauses First through Fifth, and before making any transfers to the Senior Lien Bonds Fund from the Pledged Account in accordance with Section 4.10(_), from Distribution Lock-Up Fund in accordance with Section 4.10(_), from the Major Maintenance Reserve Fund in accordance with Section 4.08(c), from the Operation and Maintenance Reserve Fund in accordance with Section 4.09(c), and from the Senior Lien Bonds Reserve Fund in accordance with Section 4.06(b), in such order of priority, to be deposited into the Senior Lien Bonds Interest Account.

(b) On the Business Day prior to each date when the interest portion of debt service on any Senior Lien Bonds shall be due and payable, monies on deposit in the Senior Lien Bonds Interest Account shall be applied pro rata to the payment of the interest due on such Senior Lien Bonds in accordance with this Indenture.

Section 4.13 Senior Lien Bonds Principal Account.

(a) On each Monthly Funding Date, the Trustee shall, in accordance with clauses Fourth and Sixth of Section 4.03(b), cause amounts in the Toll Revenue Fund, to the extent available after application of funds for the purposes specified in clauses First through Third of Section 4.03(b), and to the extent applicable, clauses First through Fifth, and before making any transfers to the Senior Lien Bonds Fund from the Pledged Account in accordance with Section 4.10(_), from the Distribution Lock-Up Fund in accordance with Section 4.10(_), from the Major Maintenance Reserve Fund in accordance with Section 4.08(c), from the Operation and Maintenance Reserve Fund in accordance with Section 4.09(c) and from the Senior Lien Bonds Reserve Fund in accordance with Section 4.06(b) Senior Lien Bonds, in such order of priority, to be deposited into the Senior Lien Bonds Principal Account.

(b) On the Business Day prior to each date when the principal portion of debt service (including any mandatory sinking fund redemption payments) on any Senior Lien Bonds shall be due and payable, monies on deposit in the Senior Lien Bonds Principal Account shall be applied pro rata to the payment of the principal portion of such Senior Lien Bonds in accordance with this Indenture.

Section 4.14 Subordinate Obligations Interest Account.

(a) On each Monthly Funding Date, the Trustee shall, in accordance with clause Seventh of Section 4.03(b), cause amounts in the Toll Revenue Fund, to the extent available after application of funds for the purposes specified in clauses First through Sixth of Section 5403(b), and before making any transfers to the Subordinate Obligations Fund from the Pledged Account in accordance with Section 4.10(_), from the Distribution Lock-Up Fund in accordance with Section 4.10(_), from the Major Maintenance Reserve Fund in accordance with Section 4.08(c), from the Operation and Maintenance Reserve Fund in accordance with Section 4.09(c), and from the Senior Lien Bonds Reserve Fund in accordance with Section 4.06(b), in such order of priority, to be deposited into the Subordinate Obligations Interest Account.

(b) On the Business Day prior to the date when the interest portion of debt service on any Subordinate Obligations shall be due and payable, monies on deposit in the Subordinate Obligations Interest Account shall be transferred to the trustee for or Holder of such Subordinate Obligations in accordance this Indenture.

Section 4.15 Subordinate Obligations Principal Account.

(a) On each Monthly Funding Date, the Trustee shall, in accordance with clauses Eighth of Section 4.03(b), cause amounts in the Toll Revenue Fund, to the extent available after application of funds for the purposes specified in clauses First through Seventh of Section 4.03(b), and before making any transfers to the Subordinate Obligations Fund from the Pledged Account in accordance with Section 4.10(_), from the Distribution Lock-Up Fund in accordance with Section 4.10(_), from the Major Maintenance Reserve Fund in accordance with Section 4.08(c), from the Operation and Maintenance Reserve Fund in accordance with Section 4.09(c), and from the Subordinate Lien Obligations Reserve Fund in accordance with Section 4.07(b), in such order of priority, to be deposited into the Subordinate Obligations Principal Account.

(b) On the Business Day prior to the date when the interest portion of debt service on any Subordinate Obligations shall be due and payable, monies on deposit in the Subordinate Obligations Principal Account shall be transferred to the trustee for or Holder of such Subordinate Obligations in accordance this Indenture.

Section 4.16 RESERVED.

Section 4.17 Establishment and Application of the Redemption Fund.

The Trustee shall establish, maintain and hold in trust a special Fund designated as the "Redemption Fund." All moneys deposited by the Authority with the Trustee for the purpose of redeeming Obligations of any Series (other than pursuant to a mandatory sinking fund redemption) shall, unless otherwise provided in the Supplemental Indenture establishing the terms and conditions for such Series Obligations, be deposited in the Redemption Fund. All

amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Obligations of such Series and maturity as shall be specified by the Authority in a Written Request of the Authority delivered to the Trustee, in the manner, at the times and upon the terms and conditions specified in the Supplemental Indenture pursuant to which such Series of Obligations was issued. Such Written Request of the Authority may specify that amounts on deposit in the Redemption Fund that remain unclaimed for a specified period of time shall be paid to the Authority, and the Trustee shall pay such unclaimed amounts to the Authority in accordance with the Written Request of the Authority.

Section 4.18 Records. The Trustee shall cause to be kept and maintained records pertaining to each Fund and Account held by it and all disbursements therefrom and shall deliver monthly to the Authority and, for so long as any Obligations in the form of or securing payment of a TIFIA Loan remain Outstanding, to the TIFIA Lender statements of activity with respect to such Funds and Accounts, provided that the Trustee shall not be obligated to report as to any Fund or Account that (a) has a balance of zero and (b) has not had any activity since the last reporting date.

In addition, the Authority shall cause to be kept and maintained records pertaining to the Operation and Maintenance Fund and all disbursements therefrom and shall deliver monthly to the Trustee and, for so long as the TIFIA Bond remains Outstanding, to the TIFIA Lender statements of activity with respect to such Funds.

Section 4.19 Investment by Trustee. Unless otherwise provided in a Supplemental Indenture, moneys held by the Trustee in the Funds and Accounts created hereunder shall be invested and reinvested in Permitted Investments in accordance with the written instructions of an Authorized Representative.

Unless otherwise specified in the Supplemental Indenture with respect to a Fund or Account created pursuant to such Supplemental Indenture, all Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times to be a part of the Fund or Account that was used to purchase the Permitted Investment. Except as described herein and unless otherwise provided by a Written Request of the Authority or in a Supplemental Indenture with respect to a Fund or Account created pursuant thereto, all interest, profits and other income received from the investment of moneys in any Fund or Account held by the Trustee, other than the Rebate Fund and the Accounts in the Project Fund, shall be transferred to the Toll Revenue Fund when received. All interest, profits and other income received from the investment of moneys in the Rebate Fund shall be deposited in the Rebate Fund. All interest, profits and other income received from the investment of monies in the Operation and Maintenance Fund shall be deposited in the Operation and Maintenance Fund. All interest, profits and other income received from the investment of monies in the Operation and Maintenance Reserve Fund shall be deposited in the Operation and Maintenance Reserve Fund. All interest, profits and other income received from the investment of monies in the Major Maintenance Reserve Fund shall be deposited in the Major Maintenance Reserve Fund. Unless otherwise provided in a Supplemental Indenture establishing an Account within the Project Fund, all interest, profits and other income received from the investment of moneys in an Account within the Project Fund shall be deposited in such Account. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the Fund or Account from which such accrued interest was paid.

The Trustee is authorized and directed to cause to be sold or redeemed and reduced to cash a sufficient amount of Permitted Investments whenever the cash balance in any Fund or Account is or will be insufficient to make any required disbursement. The Trustee shall not be responsible for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale or redemption. Absent a Written Request of the Authority instructing the Trustee how to invest the cash balance in a Fund or Account held by the Trustee hereunder, the Trustee shall hold such cash balances uninvested pending its receipt of such a Written Request of the Authority.

All Permitted Investments credited to the Senior Lien Bonds Reserve Fund or the Subordinate Obligations Reserve Fund shall be valued by the Trustee as of each Calculation Date. All Permitted Investments credited to the Senior Lien Bonds Reserve Fund or the Subordinate Obligations Reserve Fund shall be valued at their fair market value determined to the extent practical by reference to the closing bid price thereof published in *The Wall Street Journal* or any other financial publication or generally recognized pricing information service selected by the Trustee in its discretion. The Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

The Authority acknowledges that regulations of the Comptroller of the Currency grant the Authority the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the Authority specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

The Trustee or its affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any investment with the prior written approval of an Authorized Representative. The Trustee may commingle any of the moneys held by it pursuant to this Indenture (except for amounts on deposit in the Rebate Fund, and any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument) for investment purposes only; provided, however, that the Trustee shall account separately for the moneys belonging to each Fund or Account established pursuant to this Indenture and held by it. The Authority shall not commingle the moneys held by it in the Operation and Maintenance Fund with any other funds held by the Authority. The Trustee may rely on the investment directions of the Authority as to both the suitability and legality of the directed investments.

Section 4.20 Withdrawal and Application of Funds: Priority of Transfers from Funds and Accounts.

(a) [Except as provided in Sections 5.07, 5.08, 5.09, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15, 5.16, 5.17, 5.19, 5.20 and 5.20], each withdrawal or transfer of funds from the Funds and Accounts by the Trustee on behalf of the Authority in accordance herewith shall be made pursuant to an executed Funds Transfer Certificate, which certificate shall be provided and prepared by the Authority in accordance with the terms hereof and shall contain a certification by the Authority that such withdrawal or transfer complies with the requirements of this Indenture.

(b) The Funds Transfer Certificate relating to each applicable Fund or Account shall be delivered to the Trustee no later than two (2) Business Days prior to each date on which funds are proposed to be withdrawn from the applicable Fund or Account or transferred from a Fund or Account to another Fund or Account in accordance with this Indenture. The Trustee shall comply

with any such Funds Transfer Certificate; provided, that if the trustee for or Holder of Subordinate Obligations provides written notice to the Trustee, the Authority and the other Secured Creditors that any payment, withdrawal or transfer of funds is not in compliance with this Indenture or the other Financing Documents and specifies such non-compliance in such notice, the Authority shall not be entitled to cause such proposed withdrawal until such time as it has submitted a revised Funds Transfer Certificate which complies with the terms hereof or thereof.

(c) The Authority shall have the right to withdraw or cause to be transferred funds from the Operation and Maintenance Fund, the Operation and Maintenance Reserve Fund and the Major Maintenance Reserve Fund solely for the purpose of payment of Operation and Maintenance Expenses or Major Maintenance Expenditures, respectively, at any time without any approval or consent of the Trustee or any other person.

(d) Each Funds Transfer Certificate requesting a disbursement from an Account within the Project Fund shall contain the following certifications by the Authority or, as to paragraph (5), the Authority and the Consulting Engineer:

(1) the names of the persons, firms or corporations to whom each such payment is due, including the Authority in the case of reimbursements or the Trustee in the case of payments of capitalized interest;

(2) the respective amounts to be paid or reimbursed to such entities;

(3) the purpose or Project Cost by general classification for which each such obligation to be paid or reimbursed was incurred;

(4) that obligations in the stated amounts have been incurred by the Authority and presently are due and payable (except with respect to requisitions for capitalized interest, in which case amounts requisitioned, together with expected earnings from investment thereof, do not exceed amounts properly capitalizable as interest related to projects prior to their completion), or properly are reimbursable to the Authority, and that each item thereof is a Project Cost, is a proper charge against the applicable Account in the Project Fund, and has not been paid or reimbursed previously;

(5) after giving effect to the requisition, sufficient funds are and will be available to the Authority to achieve substantial completion of the applicable Project on or prior to the applicable Long Stop Date; provided that this certification need not be provided with respect to requisitions made after the applicable Substantial Completion Date;

(6) that there has not been filed with or served on the Authority any notice of lien, right of lien, or attachment upon or claim affecting the right of any person, firm or corporation named in such requisition to receive payment of any amounts which has not been released or will not be released simultaneously with the payment of such obligation; and

(7) that, as of the date of such Funds Transfer Certificate, no event or condition exists that constitutes, or that with the notice or lapse of time or both, would constitute, an Event of Default under this Indenture.

ARTICLE V

COVENANTS OF THE AUTHORITY

Section 5.01 Punctual Payment and Performance. The Authority will punctually pay the principal of and the interest on (and redemption premiums, if any, to become due on) its Obligations hereunder in strict conformity with the terms of the Act, this Indenture and such Obligations, and will faithfully observe and perform all of the agreements and covenants contained in this Indenture and such Obligations.

Section 5.02 Against Encumbrances. The Authority will not create or cause or permit to be created any pledge, lien, charge or encumbrance having priority over the lien of the Senior Lien Bonds upon any part of the Trust Estate, except for Operation and Maintenance Expenses payable from Revenue. The Authority will not create or cause or permit to be created any pledge, lien, charge or encumbrance having parity with the lien of the Senior Lien Bonds upon any part of the Trust Estate except the lien of Senior Lien Bonds. The Authority will not create or cause or permit to be created any pledge, lien, charge or encumbrance having priority over the lien of the Subordinate Obligations upon any part of the Trust Estate, except Senior Lien Bonds. The Authority will not create or permit to be created or issue any Obligations secured by the Trust Estate except as provided in Section 3.03.

Section 5.03 Toll and Revenue Covenants.

(a) The Authority covenants that it shall at all times, beginning in the first full Fiscal Year following the Substantial Completion Date for the I-405 Improvement Project, adopt a toll policy that will establish, levy, maintain and collect tolls in connection with the Toll Road and establish such charges for use of the property constituting part of the Toll Road, including, without limitation and as permitted by law, leasehold payments, concession payments, rents and other charges, as shall be sufficient, collectively, to produce Net Revenue in each Fiscal Year equal to or in excess of the coverage ratios set forth in each of (1), (2), and (3) below:

(1) one hundred thirty-five percent (135%) of the Annual Debt Service in such Fiscal Year on all Outstanding Senior Lien Bonds];

(2) one hundred twenty-five percent (125%) of the Annual Debt Service in such Fiscal Year on all Outstanding Subordinate Obligations; and

(3) one hundred percent (100%) of the Annual Debt Service in such Fiscal Year on all Outstanding Obligations, plus the amounts required to be deposited into the Senior Lien Bonds Reserve Fund, the Subordinate Obligations Reserve Fund, the Major Maintenance Reserve Fund, the Operation and Maintenance Reserve Fund and any other Fund established by a Supplemental Indenture to be funded by Revenue.

In making the calculations in (1), (2), and (3) above, the Authority may take into consideration as a credit against Annual Debt Service any amounts received, or reasonably expected to be received, in the Fiscal Year from or as a result of any additional security irrevocably granted or

pledged to the Bondholders by the Authority with respect to the Obligations in accordance with Section 9.01(b) of this Indenture; provided, that if such grant or pledge is not for the benefit of all Obligations, the amounts expected to be received may only be taken into account when making the calculation with respect to the Obligations receiving the benefit of such grant or pledge.

(b) Beginning in the first full Fiscal Year following the Substantial Completion Date for the I-405 Improvement Project, the Authority covenants: (i) to compute projected Net Revenue for each Fiscal Year and the projected ratios described in Section 6.03(a)(1), (2) and (3) (each, a "Coverage Ratio") within thirty Business Days after the beginning of that Fiscal Year (such date of computation being hereinafter referred to as a "Coverage Calculation Date"); (ii) within five Business Days furnish to the Trustee a Certificate of the Authority setting forth the results of such computations; and (iii) if any Coverage Ratio is less than the applicable requirement of Section 6.03(a), to take such action as promptly as practicable after the Coverage Calculation Date (including, without limitation, increasing Toll Revenues through toll increases) as the Authority projects is necessary to cause each projected Coverage Ratio for each Fiscal Year to equal or exceed the requirement of Section 6.03(a) for each such Fiscal Year.

(1) Within 60 days after the end of each Fiscal Year (beginning with the first full Fiscal Year following the Substantial Completion Date for the I-405 Improvement Project), the Authority will file with the Trustee a report setting forth the Net Revenue for such Fiscal Year. The failure of toll rates to yield an amount sufficient to achieve each Coverage Ratio shall not be deemed to constitute an Event of Default so long as the Authority complies with the requirements set forth below in this Section 5.03(b). If any such report indicates that the Net Revenue for such Fiscal Year was less than the amount required pursuant to Section 5.03(a), then as soon as practicable after delivering such report to the Trustee and, while there are Outstanding Obligations in the form of or securing payment of a TIFIA Loan, the TIFIA Lender, the Authority shall employ a Traffic Consultant to review and analyze the operations of the Toll Road and to submit to the Board, as soon as practicable (but not later than such date as will enable the Board to act upon it within 180 days after the end of the Fiscal Year in question), a written report which shall include the actions that the Traffic Consultant recommends should be taken by the Authority with respect to (i) revising the toll rates, (ii) altering its methods of operation, or (iii) taking other action projected to produce the amount so required to comply in each year with each Coverage Ratio (or, if less, the maximum amount deemed feasible by the Traffic Consultant and that the Traffic Consultant estimates will not adversely affect the amount of Net Revenue). Promptly upon its receipt of such written report (and, in any case, within 180 days after the end of the Fiscal Year in question), after giving due consideration thereto, the Authority will revise the toll rates, as permitted by law, alter its methods of operation, or take such other action as it deems appropriate. Such revisions, alterations, or actions need not comply with the recommendations of the Traffic Consultant so long as Net Revenue projected by the Traffic Consultant to be produced by the revisions, alterations or actions then taken by the Authority are at least equal to the amount required hereinabove. The Trustee shall have no responsibility to review any written report received pursuant to this Section 5.03(b).

(c) The Authority further covenants that such toll rates for traffic using the Toll Road will be established and maintained in a reasonable way to cover all traffic (other than vehicles used for maintaining the Toll Road; police, fire, and other public emergency vehicles; buses owned and operated by any public agency; vehicles with multiple passengers or which allow for a limited

number of passengers, including motorcycles, according to policies determined by the State or the Authority; electric, hybrid-electric and other vehicles that meet emission-reduction policies determined by the State or the Authority; vehicles which are otherwise exempt from payment of tolls under State or federal law; and any vehicles during a public emergency declared by the Authority) consistent with the requirements hereof, but with such classifications as the Authority may deem appropriate.

(d) Notwithstanding any provision to the contrary, nothing in this Section 5.03 shall be deemed to require the Authority to collect tolls and other fees with respect to which the Authority has determined, based upon a report from a Traffic Consultant, that the costs of collection would exceed the amount of tolls and other fees expected to be collected; and provided further that nothing contained in this Section 5.03 shall prevent the Authority from temporarily reducing or eliminating tolls and other fees in connection with programs which it intends to use to increase Net Revenue.

Section 5.04 Annual Budget; Financial Plan. The Authority covenants that, for each Fiscal Year, it will take such actions as may be required of it to prepare and will adopt an annual budget in accordance with applicable law, including the Act, and the Toll Agreements. The Authority further covenants that it will provide to the Trustee (A) no later than 15 days after the commencement of each Fiscal Year, a preliminary budget, and (B) not later than the first day of each Fiscal Year, a copy of the Authority's final budget (such copy of the final budget being referred to herein as the "Annual Operating Budget"). The Authority further covenants that it will provide to the Trustee a copy of the Authority's Financial Plans concurrently with their submission to the TIFIA Lender. The Trustee shall have no responsibility to review such preliminary budget, Annual Operating Budget or Financial Plan and shall only retain such documents as a repository for the holders of the Obligations.

Section 5.05 Operation and Maintenance of the Toll Road. The Authority covenants and agrees that it has taken, and, so long as any Obligations are Outstanding, that it will take, all steps necessary to ensure that it will continue to have lawful right and lawful power to operate and maintain the Toll Road as a revenue-producing facility and that it will impose and collect tolls on the Toll Road consistent with its obligations under the Act and the Toll Agreements. The Authority covenants and agrees to at all times operate the Toll Road in accordance with the requirements of the Act and the Toll Agreements. The Authority further covenants and agrees that it will pay all Operation and Maintenance Expenses and keep the Toll Road in good repair in accordance with customary business practices and the Maintenance Standards (as defined in the Toll Facility Agreement). The Authority further covenants that, should any Obligations remain Outstanding following the expiration of the Authority's authorization to impose tolls on the Toll Road, and should the Authority project that, within five calendar years such authorization will expire with Obligations remaining Outstanding, the Authority will petition the Legislature of the State to extend its authorization to impose such tolls.

Section 5.06 Retention of Assets. Subject to the provisions of the Act and the Toll Agreements, the Authority covenants not to sell, lease or otherwise dispose of assets necessary to operate the Toll Road in the manner and at the levels of activity required to enable it to perform its covenants contained herein, including, without limitation, the covenants contained in Section 5.03 and Section 5.05.

Section 5.07 Insurance. The Authority covenants to carry at all times insurance (including reasonable self-insurance) or cause insurance to be carried (including by the Design-Build Contractor, its subcontractors and the Toll Operator) with responsible insurance and/or reinsurance companies authorized and qualified to do business in (or with companies duly authorized and qualified to do business in) the State and to assume the risks thereof consistent with insurance requirements of all agreements entered into by the Authority in connection with the design, construction, operation and maintenance of each Project until the Substantial Completion Date therefor, and after the Substantial Completion of the I-405 Improvement Project, of the Toll Road.

Nothing contained herein shall be deemed or construed to prevent the Authority from maintaining policies of insurance with respect to the Toll Road in which parties other than the Authority are named as dual obligee beneficiaries, provided that such other parties shall be limited to Caltrans, OCTA, the Trustee, the TIFIA Lender, contractors constructing Additional Projects and persons supplying toll collection and revenue management system equipment or facilities. Upon request of the Trustee, the Authority shall provide the Trustee with an officer's certificate stating that it is in compliance with this Section 5.07.

Section 5.08 Payment of Claims. The Authority will pay and discharge any and all lawful claims that, if unpaid, might become a charge or lien upon the Trust Estate or any part thereof, prior to or on a parity with the charge and lien upon the Revenue securing the Obligations Outstanding hereunder.

Section 5.09 Receipt and Deposit of Cash Advances. The Authority covenants and agrees that, immediately upon receipt of cash advances representing deposits against future toll payments from users or potential users of the Toll Road by or on behalf of the Authority, it will (i) deposit and hold, or cause to be deposited and held, such moneys in a special account, separate from other assets of the Authority, and cause such moneys to be deposited with and held by a bank or trust company (which may be the Trustee), (ii) invest such moneys only in Permitted Investments of the type described in [clauses (i), (ii), (iii), (iv), (v), (vi), (ix), (xii), (xvii) or (xviii) of the definition thereof], maturing within thirty (30) days from the date of the investment, and (iii) promptly, and in any event within seven Business Days after such deposits become tolls, transfer or cause the transfer of moneys from such account for credit to the Toll Revenue Fund. The Authority further covenants and agrees that it will not enter into any agreement pursuant to which cash advances received by any other person, business organization or governmental entity may be applied to the payment of tolls unless such person, business organization or governmental entity, as the case may be, has agreed to take such actions as the Authority may determine are reasonably necessary to assure that the Authority will receive timely payment of such tolls.

Section 5.10 Toll Agreements. The Authority hereby covenants and agrees that it has all lawful right and power to enter into the Toll Agreements and that it shall perform all of its material obligations and exercise all of the powers granted to it thereunder (including but not limited to the Authority's powers to enforce performance by the counterparty to each such Toll Agreement of such counterparty's obligations thereunder) as the Authority may, in its reasonable judgment, determine are necessary to complete or cause the Substantial Completion and final completion of the portions of the I-405 Improvement Project comprising the Toll Road, to allow the Toll Road to be opened to vehicular traffic, and to commence and

continue collection of tolls established pursuant to Section 6.03 of this Indenture. The Authority hereby covenants and agrees to employ the design-build method of procurement in connection with the design and construction of the I-405 Improvement Project.

Section 5.11 Construction and Maintenance From Other Sources Permitted. Notwithstanding any provision to the contrary in this Indenture, the Authority may, in accordance with the Act and other applicable laws, construct, reconstruct, rehabilitate, improve, acquire, lease, operate, or maintain, or any combination of these, both tolled and nontolled facilities, structures, onramps, connector roads, bridges, and roadways that are on, necessary for, or related to the construction or operation of the I-405 Improvement Project using any funds legally available therefore, including, without limitation and as applicable, Sales Tax Revenues, proceeds of Sales Tax Revenue Bonds and federal, State and local grants, loans and matching funds. Notwithstanding any other provision of this Indenture, the United States of America, the State or any of their respective agencies, departments or political subdivisions may construct, reconstruct, rehabilitate, improve, acquire, lease, operate, maintain, or any combination of these, both tolled and nontolled facilities, structures, onramps, connector roads, bridges, and roadways related to or competing with the I-405 Improvement Project or to pay for all or any part of the cost thereof, and the Authority has no power or authority to grant, permit, prohibit, prevent or interfere with any such actions.

Section 5.12 Tax Covenants.

(a) The Authority shall not use or permit the use of any proceeds of the Obligations or any funds of the Authority, directly or indirectly, to acquire any securities or obligations that would cause the interest on Obligations intended by the Authority to be exempt from federal income taxation to become subject to federal income taxation, and shall not take or permit to be taken any other action or actions that would cause any such Obligations to be an “arbitrage bond” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable regulations promulgated from time to time thereunder. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Authority shall comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to Obligations. In the event that at any time the Authority is of the opinion that for purposes of this Section 6.03(a) it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee under this Indenture in writing, and the Trustee shall take such action as may be reasonably necessary in accordance with such instructions.

(b) The Authority covenants to comply with the provisions and procedures of each Tax Certificate.

(c) The Authority shall not, and shall not cause the Trustee to, use or permit the use of any proceeds of the Obligations or any funds of the Authority (so long as such proceeds or other funds are under its control), directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Obligations to be treated as an obligation not described in Section 103(a) of the Code if such Obligations were, when originally issued, intended by the Authority to be obligations described in Section 103(a) of the Code.

(d) Notwithstanding any provisions of this Section 5.12 or any Tax Certificate, if the Authority shall provide to the Trustee an Opinion of Bond Counsel to the effect that any specified action required under this Section 5.12 is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on any Obligations, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding any other provision of this Indenture or any Tax Certificate, the covenants hereunder shall be deemed to be modified to that extent.

(e) The Trustee shall follow the directions of the Authority given pursuant to the Tax Certificate, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.

Section 5.13 Accounting Records; Financial Statements and Other Reports.

(a) The Authority shall keep appropriate accounting records in accordance with GAAP. Such accounting records shall at all times during business hours be subject to the inspection of the Trustee or of any Holder (or its representative authorized in writing).

(b) The Authority shall prepare and file with the Trustee annually within 180 days after the close of each Fiscal Year financial statements of the Authority for the Toll Road for such Fiscal Year, together with an audit report thereon prepared by an Independent Certified Public Accountant. The Trustee shall have no duty to review, verify or analyze such audit report and financial statements and shall hold such audit report and financial statements solely as a repository for the benefit of the holders of the Obligations. The Trustee shall not be deemed to have notice of any information contained therein or default or Event of Default which may be disclosed therein in any manner.

Section 5.14 Protection of Trust Estate and Rights of Holders. The Authority shall preserve and protect the Trust Estate and the security of the Obligations issued hereunder and the rights of the holders of such Obligations and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Senior Lien Bonds or Subordinate Obligations by the Authority, such Obligations shall be incontestable by the Authority.

Section 5.15 Payment of Governmental Charges and Compliance with Governmental Regulations. The Authority shall pay and discharge all taxes or payments in lieu of taxes, assessments and other governmental charges or liens that may be levied, assessed or charged upon the Revenue, or any part thereof, promptly as and when the same shall become due and payable, except that the Authority shall not be required to pay any such governmental charges so long as the application or validity thereof shall be contested in good faith and the Authority shall have set aside reserves to cover such payments.

Section 5.16 Maintenance of Powers. The Authority covenants that it will at all times use its best efforts to maintain the powers, rights, functions, duties and obligations now reposed on it pursuant to the Act and all other laws and the Toll Facility Agreement and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the

Obligations hereunder or Credit Support Instruments relating thereto or the performance or observance of any of the covenants herein contained.

Section 5.17 Covenants Binding on Authority and Successors. All covenants, stipulations, obligations and agreements of the Authority contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law. If the powers or duties of the Authority shall hereafter be transferred by amendment of the Act or a new act or any provision of the Constitution or any other law of the State or in any other manner there shall be a successor to the Authority, and if such transfer shall relate to any matter or thing permitted or required to be done under this Indenture by the Authority then the entity that shall succeed to such powers or duties of the Authority shall act and be obligated in the place and stead of the Authority as in this Indenture provided, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon any officer, board, body or Authority to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreement shall be transferred by or in accordance with law.

Section 5.18 Continuing Disclosure. Upon the issuance of any Series of Obligations (other than the TIFIA Bond), or upon conversion of any Series of Obligations to an interest rate period, requiring an undertaking regarding continuing disclosure under Rule 15c2-12, the Authority hereby covenants and agrees that it will execute and deliver a Continuing Disclosure Agreement with respect to such Series of Obligations and comply with and carry out all of the provisions of such Continuing Disclosure Agreement applicable to it. Notwithstanding any other provision of this Indenture, failure of the Authority to comply with the provisions of any Continuing Disclosure Agreement shall not constitute an Event of Default under this Indenture; provided, however, that the Trustee, at the request of any Participating Underwriter or the Owner of an Outstanding Obligation, shall (but only to the extent that the Trustee is indemnified to its satisfaction from any liability or expense, including fees and expenses of its attorneys) or any Owner or Beneficial Owner of an Obligation may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order to cause the Authority to comply with its obligations under this Section.

Section 5.19 Further Assurances. The Authority will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Holders of the rights and benefits provided herein.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES

Section 6.01 Events of Default. Any one of the following and any other event specified in a Supplemental Indenture as an Event of Default shall constitute an Event of Default hereunder:

(a) default in the payment of any interest on any Highest Priority Obligation when and as the same shall have become due and payable;

(b) default in the payment of the principal of or premium, if any, on any Highest Priority Obligation when and as the same shall become due and payable, whether at the stated maturity or redemption date thereof or otherwise;

(c) default by the Authority in the observance or performance of any other covenant or agreement of the Authority contained in this Indenture and the continuance thereof for a period of sixty (60) days after written notice thereof to the Authority given by the Trustee;

(d) if the Authority files a petition in voluntary bankruptcy for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself;

(e) if a court of competent jurisdiction shall enter an order, judgment or decree declaring the Authority insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of the Authority, or approving a petition filed against the Authority seeking reorganization of the Authority under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(f) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the Revenue, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

Section 6.02 Application of Revenue and Other Funds After Default. If an Event of Default shall occur and be continuing, the Trust Estate shall be under the control of and applied by the Trustee as follows and in the following order:

(a) first, to the payment of all fees, costs and other expenses (including the reasonable fees, costs and expenses of counsel and actual fees, costs and expenses due and payable by the Authority pursuant to the indemnity required by [Section 6.06(c)]) owed to the Trustee, and then to the pro rata payment of all costs and other expenses (including the reasonable fees, costs and expenses of counsel) owed to the trustee or Holder of any Obligations in connection with the performance of their obligations under the Financing Documents, including to the TIFIA Lender under the applicable TIFIA Loan Agreement, to which they are a party and the consummation of the transactions contemplated thereby (in each case to the extent not previously satisfied);

(b) second, to the payment of Operation and Maintenance Expenses;

(c) third, to the pro rata payment of all accrued and unpaid interest (but not default interest, if any) on all Senior Lien Bonds then Outstanding, in each case in the order of maturity of the payments thereof;

(d) fourth, to the pro rata payment of all unpaid principal amounts of any Senior Lien Bonds then due;

(e) fifth, to the pro rata payment of all accrued and unpaid default interest then due, if any, with respect to any Senior Lien Bonds ;

(f) sixth, to the pro rata payment of all accrued and unpaid redemption or prepayment premium then due, if any, with respect to any Senior Lien Bonds;

(g) seventh, to the pro rata payment of all other amounts, if any, due and payable under any Financing Document with respect to any Senior Lien Bonds;

(h) eighth, to the pro rata payment of all accrued and unpaid interest (but not default interest, if any) on all Subordinate Obligations;

(i) ninth, if any unpaid principal of any Subordinate Obligations has become due, to the pro rata payment of such unpaid principal amounts;

(j) tenth, to the pro rata payment of all accrued and unpaid default interest then due, if any, with respect to any Subordinate Obligations ;

(k) eleventh, to the pro rata payment of all accrued and unpaid redemption or prepayment premium then due, if any, with respect to any Subordinate Obligations;

(l) twelfth, to the pro rata payment of all other amounts, if any, due and payable under any Financing Document with respect to any Subordinate Obligations;

(m) thirteenth, to the Distribution Lock-Up Fund; and

(n) fourteenth, upon the payment in full of all Secured Obligations, to pay to the Authority, or as may be directed by the Authority, or as a court of competent jurisdiction may direct, any Revenue or other funds then remaining in the Trust Estate.

Section 6.03 No Acceleration. There shall be no right of acceleration with respect to the Obligations.

Section 6.04 Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case the Trustee may, and shall at the request of the Holders of not less than a majority of the Bond Obligation of the Highest Priority Obligations then Outstanding (or such greater percentage of the Holders of Highest Priority Obligations as may be specified in the Supplemental Indenture) upon receiving indemnity reasonably satisfactory to it, potentially including indemnity provided by such Holders [(subject to Section 7.06(c))], proceed to protect and enforce Bondholder rights by such appropriate judicial proceeding as shall be deemed most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Indenture, or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the holders of Obligations by this Indenture or such Obligations or by law. The provisions of this Indenture shall constitute a contract with each and every Bondholder and the duties of the Authority shall be enforceable by the Trustee on behalf of any Bondholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan

of reorganization, arrangement, adjustment, or composition affecting the Obligations or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding without the approval of the Holders so affected.

Section 6.05 Waivers. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 6.06 Rights of Subordinate Lenders.

(a) Nothing in this Article VI or elsewhere in this Indenture shall be construed to limit or preclude the exercise of any rights or remedies reserved by the trustee for or Holder of any Subordinate Obligations;

(b) The Holder of any Subordinate Obligations may request, and the Trustee shall, upon receiving indemnity reasonably satisfactory to it from the Authority, proceed to protect and enforce such Holder's rights by such appropriate judicial proceeding as shall be deemed most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Indenture, or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in such Holder as a third-party beneficiary by this Indenture or by law. The provisions of this Indenture shall constitute a contract with the Holders of the Subordinate Obligations and the duties of the Authority shall be enforceable by the Trustee on behalf of such Holders by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of the Holders Subordinate Obligations any plan of reorganization, arrangement, adjustment, or composition affecting the Subordinate Obligations or the rights of the Holders of such Obligations, or to authorize the Trustee to vote in respect of the claim of such Holders in any such proceeding without the approval of the Holders of such Obligations.

The Authority agrees to provide adequate indemnity to the Trustee on behalf of the Holders of any Subordinate Obligations in accordance with this Section 6.06; provided that such indemnity shall be provided from Revenues in accordance with the provisions of this Indenture; and provided, further, that in no event shall such indemnity exceed the amount of indemnity that the Authority is required to provide such Holders as provided in the agreement relating to the issuance of such Obligations; and provided, further, that in no event shall the Trustee be required to continue to protect and enforce such Holder's rights if it does not receive adequate indemnity to proceed.

ARTICLE VII

THE TRUSTEE

Section 7.01 Trustee. (a) US Bank Trust Company, National Association will serve as the Trustee under this Indenture. The Trustee shall be required to perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall,

during the existence of any Event of Default (that has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as reasonable persons would exercise or use under the circumstances in the conduct of their own affairs. The Trustee accepts the duties imposed upon it hereunder and agrees, particularly: (i) to hold all sums held by it for the payment of the principal and Purchase Price of, premium, if any, or interest on the Obligations in trust for the benefit of the Holders of the Obligations as provided herein until such sums shall be paid to such Holders of such Obligations or otherwise disposed of as herein provided; (ii) to authenticate and cancel Obligations as provided herein; (iii) to perform its obligations under this Indenture; and (iv) to keep such books and records relating to its duties as Trustee as shall be consistent with reasonable industry practice and to make such books and records available for inspection by the Authority at all reasonable times upon reasonable notice.

The Authority shall cause the necessary arrangements to be made and to be thereafter continued whereby: (i) funds derived from the sources specified in this Indenture will be made available at the Principal Office of the Trustee for the timely payment of principal and Purchase Price of, premium, if any, and interest on the Obligations; (ii) Obligations shall be made available for authentication, exchange and registration of transfer by the Trustee at the Principal Office of the Trustee; and (iii) the Trustee shall be furnished such records and other information, at such times, as shall be required to enable the Trustee to perform the duties and obligations imposed upon it hereunder.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action or its own negligent failure to act, except that, at all times regardless of whether or not any Event of Default shall exist: (i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; (ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate, notice, order, requisition, request, consent or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate, notice, order, requisition, request, consent or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it, on its face, conforms to the requirements of this Indenture; (iii) the Trustee shall not be liable for any error of judgment made in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and (iv) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority, or such larger or smaller percentage as may be required hereunder, in Bond Obligation of the Highest Priority Obligations at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Indenture. The permissive right of the Trustee to do things enumerated in this Indenture as a right shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(c) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The Trustee shall not be required to

give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises. Before taking any action under this Indenture relating to an Event of Default or taking any other action (other than making payments of principal and interest in accordance with the provisions of this Indenture) hereunder, the Trustee may require that indemnity reasonably satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability.

(d) No delivery of Obligations to the Trustee or purchase of Obligations by the Trustee shall constitute a redemption of Obligations or any extinguishment of the debt represented thereby, unless such Obligations are surrendered by the Authority to the Trustee for cancellation pursuant to this Indenture.

(e) The Trustee shall not be accountable for the use or application by the Authority of the proceeds of the Obligations or for the use or application of any money paid over to the Authority by the Trustee in accordance with the provisions of this Indenture. The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Obligations other than information provided by the Trustee for use therein, if any.

(f) Whenever in the administration of this Indenture the Trustee shall deem it necessary or desirable that a matter be provided or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority and delivered to the Trustee and such certificate, in the absence of negligence or willful misconduct on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

(g) The Trustee may elect to accept and act upon instructions or directions pursuant to this Indenture sent by facsimile or Electronic means, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee facsimile or Electronic instructions and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling in the absence of its negligence or willful misconduct. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. In the absence of negligence or willful misconduct by the Trustee, the Authority agrees to assume all risks arising out of the use of such facsimile or Electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 7.02 Compensation and Indemnification of Trustee. The Authority shall: (i) pay the Trustee reasonable compensation (which, to the extent permitted by applicable law, shall not be limited by any law limiting the compensation of the trustee of an express trust); (ii) pay or reimburse the Trustee upon request for all reasonable fees, expenses,

disbursements and advances incurred or made in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ), except to the extent that any such expense, disbursement or advance is due to its own negligence or willful misconduct; and (iii) to the extent permitted by applicable law, indemnify the Trustee and its officers, directors, agents and employees for, and to hold it harmless against, any loss, liability, cost, suit, claim, judgment, damage or expense incurred by it, arising out of or in connection with the acceptance or administration of this Indenture or the performance of its duties hereunder, including legal fees and expenses and the costs and expenses of defending itself against or investigating any claim of liability or expense, except to the extent that any such liability or expense was due to its own negligence or willful misconduct. The obligations of the Authority under this Section 7.02 shall survive the satisfaction and discharge of this Indenture and the earlier removal or resignation of the Trustee. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

The Authority agrees to provide adequate indemnity to the Trustee on behalf of the TIFIA Lender in accordance with this Section 7.02; provided that such indemnity shall be provided from Revenues in accordance with the provisions of this Indenture; and provided, further, that in no event shall such indemnity exceed the amount of indemnity that the Authority is required to provide the TIFIA Lender as provided in the agreement relating to the issuance of such Obligations; and provided, further, that in no event shall the Trustee be required to continue to protect and enforce the TIFIA Lender's rights if it does not receive adequate indemnity to proceed.

Section 7.03 Qualifications of Trustee; Resignation; Removal.

(a) There shall at all times be a trustee hereunder that is a commercial bank, trust company or national association organized and doing business under the laws of the United States or of a state thereof, authorized under such laws to exercise corporate trust powers, having (or if such bank, trust company or national association is a member of a bank holding company system, its holding company has) a combined capital and surplus of at least five hundred million dollars (\$500,000,000), and subject to supervision or examination by federal or state authority. If such banks, trust companies, or banking associations publish reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section 7.03, the combined capital and surplus of such banks, trust companies or banking associations shall be deemed to be their combined capital and surplus as set forth in their most recent reports of conditions so published.

(b) The Trustee may at any time resign by giving at least thirty (30) days' written notice to the Authority. Upon receiving such notice of resignation, the Authority, shall promptly appoint a successor trustee by an instrument in writing. If no successor trustee shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder who has been a bona fide Holder of a Highest Priority Obligation for at least six months may, on behalf of itself and any others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(c) In case at any time either of the following shall occur: (i) the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.03 and shall fail to resign after written request therefor by the Authority or by any Holder who has been a bona fide Holder of a Highest Priority Obligation for at least six months; or (ii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Authority may remove the Trustee and appoint a successor trustee by an instrument in writing executed by an Authorized Representative, or any Holder who has been a bona fide Holder of a Highest Priority Obligation for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee. If no successor trustee shall have been so appointed by the Authority and have accepted appointment within thirty (30) days after such removal, the Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder who has been a bona fide Holder of a Highest Priority Obligation for at least six months may, on behalf of itself and any others similarly situated, petition any such court for the appointment of a successor trustee.

(d) The Authority or Holders of a majority in Bond Obligation of the Highest Priority Obligation at the time Outstanding may at any time remove the Trustee and appoint a successor trustee by an instrument or concurrent instruments in writing signed by an Authorized Representative of the Authority or by such Holders, as the case may be.

(e) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 7.03 shall become effective upon written acceptance of appointment by the successor trustee acceptable to the Authority. Any successor trustee shall execute, acknowledge and deliver to the Authority and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the Written Request of the Authority or the request of the successor trustee, the predecessor trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the rights, powers and trusts of the trustee so ceasing to act. Upon request of any such successor trustee, the Authority shall execute any and all instruments in writing necessary or desirable for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and duties. No successor trustee shall accept appointment as provided in this Section 7.03 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of this Section 7.03. Upon acceptance of appointment by a successor trustee as provided in this Section 7.03, the Authority or such successor trustee shall give Holders notice of the succession of such trustee to the trusts hereunder.

(f) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this

Section 7.03 and acceptable to the Authority, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

(g) In the event of the resignation or removal of the Trustee, the Trustee shall deliver any money and any Obligations and its related books and records held by it in such capacity to its successor.

(h) The Trustee may execute any of the trusts or powers hereof and perform any of its duties and responsibilities hereunder by or through attorneys, agents or receivers, including issuing and paying agents as provided in Section 7.05, and the Trustee shall not be answerable for the conduct of the same if appointed with due care hereunder, provided that the Trustee shall remain responsible for its duties hereunder. The Trustee may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in the absence of negligence and willful misconduct and in accordance with such advice or opinion of counsel.

Section 7.04 Instrument of Bondholders. Any instrument required by this Indenture to be executed by Bondholders may be in any number of writings of similar tenor and may be executed by Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Obligations given in any of the following forms shall be sufficient for any of the purposes of this Indenture: (i) a certificate of any officer in any jurisdiction who by law has power to take acknowledgements within such jurisdiction that the person signing such writing acknowledged before him the execution thereof; or (ii) a certificate executed by any trust company or bank stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank, as the property of such party, the Obligations therein mentioned.

The Trustee may rely on such an instrument of Bondholders unless and until the Trustee receives notice in the form specified in (i) or (ii) above that the original such instrument is no longer reliable. In the event that the Trustee shall receive conflicting directions from two or more groups of Bondholders, each with combined holdings of not less than twenty-five percent (25%) of the principal amount of Outstanding Highest Priority Obligations, the directions given by the group of Bondholders that holds the largest percentage of Highest Priority Obligations shall be controlling and the Trustee shall follow such directions to the extent required herein. The Trustee shall have no liability provided it is following the instructions of such Bondholders permitted to direct the Trustee pursuant to this Indenture.

Section 7.05 Issuing and Paying Agents. The Authority may appoint and at all times have one or more issuing and paying agents in such place or places as the Authority may designate, for the payment of a Series of Obligations. Such issuing and paying agent shall meet the qualifications for the Trustee and the procedures and conditions for removal and resignation set forth in Section 7.03 hereof. It shall be the duty of the Trustee to make such arrangements with any such issuing and paying agent as may be necessary to assure, to the extent of the moneys held by the Trustee for such payment, the prompt payment of Obligations presented at either place of payment.

ARTICLE VIII

AMENDMENTS

Section 8.01 Amendments to Indenture Not Requiring Consent of Bondholders. Except to the extent restricted by a Supplemental Indenture, the Authority and the Trustee, without the consent of or notice to any Bondholders, may execute Supplemental Indentures amending this Indenture for one or more of the following purposes:

(a) to grant to or confer upon the Trustee for the benefit of the Holders of any Series of Obligations or of all Obligations any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Trustee; provided, that while the TIFIA Bond remains Outstanding, the TIFIA Lender shall either (i) receive the benefit of any such additional grant, or (ii) consent in writing to not receiving such additional benefit;

(b) to grant or pledge to the Trustee for the benefit of the Holders of any Series of Obligations or of all Obligations any additional security; provided, that while the TIFIA Bond remains Outstanding, the TIFIA Lender shall either (i) receive the benefit of any such additional grant or pledge, or (ii) consent in writing to not receiving such additional benefit;

(c) to amend this Indenture in such manner as may be necessary or convenient in connection with the book-entry system for payments, transfers and other matters relating to the Obligations;

(d) to cure any ambiguity, supply any omission, or to correct or supplement any provision of this Indenture that, in the Opinion of Bond Counsel, is defective or inconsistent with any other provision of this Indenture;

(e) to insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect;

(f) to make any change therein necessary, in the Opinion of Bond Counsel, to maintain the exclusion from gross income for federal income tax purposes of the interest on any Outstanding Obligations intended by the Authority to bear federally tax-exempt interest;

(g) to modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit, if presented, the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or under any state blue sky law;

(h) to make modifications or adjustments necessary in order to accommodate a Credit Support Instrument or a Reserve Facility;

(i) to modify, alter, amend or supplement this Indenture if (1) all of the Obligations to be affected thereby are variable interest rate obligations, (2) the modification, alteration, amendment or supplement shall not become effective until written notice thereof shall have been given to Bondholders of the affected Series by the Trustee, and (3) thirty (30) days shall

have passed during which time such Bondholders shall have had the opportunity to tender their variable interest rate bonds for purchase;

(j) to modify, alter, amend or supplement this Indenture if the TIFIA Bond remains Outstanding unless the Authority has obtained the prior written consent of the TIFIA Lender to such modification, alteration, amendment or supplement;

(k) to make any change therein that does not materially and adversely affect the rights of any of the Holders of the Obligations (and the absence of a material or adverse effect is required to, be evidenced by a Certificate of the Authority or an Opinion of Bond Counsel delivered pursuant to Section 8.04); and

(l) to issue additional Obligations hereunder in accordance with the terms hereof, including to specify and determine the lien status of a Series of Obligations or, if applicable, the springing lien status of a Series of Obligations and also any other matters and things relative to such Obligations which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the original issuance of such Obligations;

provided, in addition to the limitation set forth in Section 8.04, that no such amendment may permit, or be construed as permitting, (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Obligation, or (ii) a reduction in the principal amount of, or the redemption premium or the rate of interest on, any Obligation, or (iii) a preference or priority of any Senior Lien Bonds over any other Senior Lien Bonds, or (iv) a preference or priority of any Subordinate Obligation or Subordinate Obligations over any other Subordinate Obligation or Subordinate Obligations, or Senior Lien Obligation or (v) a reduction in the Bond Obligation of the Obligations required for any consent to any amendment pursuant to Section 8.02.

Section 8.02 Amendments to Indenture Requiring Consent of Bondholders and TIFIA Lender. Exclusive of amendments authorized by Section 8.01 and subject to the terms and provisions contained in this Section 8.02 and in any Supplemental Indenture, and further subject at all times prior to repayment of each Senior Obligation in the form of or securing payment of a TIFIA Loan in full pursuant to its terms to receipt of written consent from the TIFIA Lender, the Holders of at least a majority in aggregate Bond Obligation of the Obligations Outstanding at the time such consent is given, and in case less than all of the several Series of Obligations then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in aggregate Bond Obligation of the Obligations of each Series so affected and Outstanding at the time such consent is given (provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Obligations of any particular Series and maturity remain Outstanding, the consent of the Holders of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Obligations under this Section 8.02) shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to such other amendments hereto for the purpose of modifying, altering, amending, or supplementing any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section 8.02 shall permit, or be construed as permitting (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Obligation, or (ii) a reduction in the principal

amount of, or the redemption premium or the rate of interest on, any Obligation, or (iii) a preference or priority of any Senior Lien Bonds over any other Senior Lien Bonds, or (iv) a preference or priority of any Subordinate Obligation over any other Subordinate Obligation, or (v) a reduction in the Bond Obligation of the Obligations required for any consent to any amendment.

Section 8.03 Notice to and Consent of Bondholders. If consent of the Bondholders is required under the terms of this Indenture for the amendment of this Indenture or for any other similar purpose, the Authority shall cause notice of the proposed amendment to be given by first-class mail to the Holders of the Outstanding Obligations then shown on the registration books for the Obligations. Such notice shall briefly set forth the nature of the proposed amendment or other action and shall state that copies of any such amendment are on file at the office of the Authority and the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Holders of the requisite principal amount of the Obligations Outstanding by instruments filed with the Authority shall have consented to the amendment or other proposed action, then the Authority may adopt or execute, as appropriate, such amendment or take such proposed action and the consent of the Bondholders shall thereby be conclusively presumed. Such instruments filed with the Authority may include documents, including Certificates of the Authority, stating that Holders of Obligations have consented to an amendment by purchasing such Obligations if the official statement or other disclosure document related to such purchase disclosed that the purchase of the Obligations was deemed to mean that the Holders consented to the amendment.

Section 8.04 Execution and Effect of Supplemental Indentures. Prior to executing any Supplemental Indenture hereunder, the Trustee shall receive, and is entitled to rely upon, an Opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted hereunder. The Trustee is not obligated to execute any Supplemental Indenture adversely affecting its rights, duties protections and immunities hereunder. The Trustee shall not execute any Supplemental Indenture materially affecting the priority of payment of any Subordinate Obligation or the rights or obligations of the holder of any Subordinate Obligation, as evidenced by the Opinion of Bond Counsel delivered pursuant to this Section 8.04, without the prior written consent of the trustee for or required holders of such Subordinate Obligation. Upon the execution and delivery of any Supplemental Indenture pursuant to this Article XIII, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Outstanding Obligations shall thereafter be determined, exercised and enforced subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 8.05 Obligations Owned by Authority. (a) For purposes of this Article IX, Obligations owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Obligations provided for in this Article VIII, and the Authority shall not be entitled with respect to such Obligations to give any consent or take any other action provided for in this Article VIII; except that in determining whether the Trustee shall be protected in relying upon any such approval or consent of a Holder, only Obligations which the Trustee actually knows to be owned

by the Authority shall be disregarded unless all Obligations are owned or held by or for the account of the Authority, in which case such Obligations shall be considered Outstanding for the purpose of such determination. Upon request of the Trustee, at the time of any consent or other action is to be taken under this Article VIII, the Authority shall furnish the Trustee a Certificate of the Authority, upon which the Trustee may rely, describing all Senior Lien Bonds so to be excluded.

(b) The purchase or other acquisition of Obligations by or on behalf of the Authority shall not cancel, extinguish, or otherwise affect the Obligations unless such Obligations are surrendered by the Authority to the Trustee for cancellation in accordance with Section 9.01(b).

ARTICLE IX

DISCHARGE OF LIEN

Section 9.01 **Discharge of Lien and Security Interest.** (a) At the election of the Authority, upon payment in full of all the Obligations and of all other amounts payable under this Indenture, the pledge and lien on the Trust Estate arising under this Indenture shall cease, determine and be void; provided, however, such discharge of this Indenture shall not terminate the powers and rights granted to the Trustee with respect to the payment, transfer and exchange of the Obligations, and Section 7.02 shall survive hereunder. In such event, upon the written request of the Authority, the Trustee shall cooperate with an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge as prepared by or on behalf of the Authority, and the Trustee shall pay over, transfer, assign or deliver to the Authority all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of Obligations not theretofore surrendered for such payment or redemption.

(b) The Authority may at any time surrender to the Trustee for cancellation any Obligations previously authenticated and delivered hereunder that the Authority at its option may have acquired in any manner whatsoever and such Obligations upon such surrender and cancellation shall be deemed to be paid and retired.

(c) Notwithstanding any provision in this Indenture to the contrary, if the principal of or interest on any Obligations shall be paid by a Credit Provider, those Obligations shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority within the meaning of this Section 9.01, and the pledge of the Trust Estate and all covenants, agreements and other obligations of the Authority as herein provided shall continue to exist and shall run to the benefit of such Credit Provider, and such Credit Provider shall be subrogated to the rights of the Holders.

Section 9.02 **Provision for Payment of Obligations.** Except for the TIFIA Bond, Obligations (or any portion of the Obligations) shall be deemed to have been paid within the meaning of Section 9.01 if:

(a) there shall have been irrevocably deposited with the Trustee or other fiduciary in trust either (i) lawful money of the United States of America in an amount that shall be sufficient, or (ii) Defeasance Securities, the principal and interest on which when due, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient (as confirmed by a report of an Independent Certified Public Accountant), to pay when due the principal amount of, redemption premium (if any) and all unpaid interest on such Obligations (or any portion thereof) to the maturity or the redemption date thereof, as the case may be; and

(b) if any such Obligations are to be redeemed on any date prior to their maturity, (i) the Trustee shall have received (not less than 25 days prior to the proposed redemption date) in form satisfactory to it irrevocable written instructions from an Authorized Representative to redeem such Obligations on such date and (ii) notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been irrevocably made for the giving of such notice.

Limitations elsewhere specified herein regarding the investment of money held by the Trustee shall not be construed to prevent the depositing and holding of the Defeasance Securities described in Section 9.02(a)(ii) for the purpose of defeasing the lien of this Indenture as to Obligations that have not yet become due and payable. In addition, all money so deposited with the Trustee as provided in Section 9.02(a)(i) may also be invested and reinvested, at the written direction of an Authorized Representative, in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, subject to the confirming report of an Independent Certified Public Accountant as to the sufficiency thereof as provided in Section 9.02(a)(ii), and all income from all Defeasance Securities in the hands of the Trustee pursuant to this Section 9.02, that is not required for the payment of the principal of the Obligations and interest and redemption premium, if any, thereon with respect to which such money shall have been so deposited, shall be deposited in the Toll Revenue Fund as and when realized and applied as is other money deposited in the Toll Revenue Fund, or, in the event there are no longer any Obligations Outstanding under this Indenture, such income shall be automatically paid over to the Authority.

Notwithstanding any other provision of this Indenture, no Obligation that is subject to optional or mandatory tender in accordance with the provisions of the Supplemental Indenture pursuant to which such Obligation was issued, shall be deemed to be paid within the meaning of this Indenture, unless arrangements shall have been made to assure that such Obligation, if tendered for purchase prior to the date of its redemption or maturity in accordance with the provisions of the applicable Supplemental Indenture, could be paid and redeemed from such moneys or Defeasance Securities as are provided pursuant to this Section 9.02.

Section 9.03 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Obligations that remain unclaimed for two (2) years after the date when such Obligations shall have become due and payable (during which period the Trustee shall hold such moneys without liability for interest), either at their stated maturity dates, tender for purchase or by call for redemption, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys, if deposited with Trustee after the date when such Obligations or the Purchase Price thereof became due and payable, shall automatically be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the

Holders shall look only to the Authority for the payment of the principal or Purchase Price of, the redemption premiums, if any, and interest on such Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01 Liability of Authority Limited to Trust Estate.

Notwithstanding anything contained herein, the Authority shall not be required to advance any money derived from any source of income other than from the Trust Estate as provided herein for the payment of the principal of or redemption premium, if any, or interest on the Obligations or for the performance of any agreements or covenants contained herein. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring an indebtedness prohibited hereby.

The Obligations are limited obligations of the Authority payable, as to principal thereof, and redemption premium, if any, upon the redemption of any thereof, and interest thereon, solely from the Trust Estate as provided herein and the Authority is not obligated to pay them except from the Trust Estate. The Obligations do not constitute a debt or liability of the State or of any political subdivision of the State other than the Authority, or a pledge of the full faith and credit of the State or of any political subdivision of the State.

Section 10.02 Limitation of Rights; Third Party Beneficiary. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Obligations is intended or shall be construed to give to any Person other than the Bondholders and each Secured Creditor any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions herein being intended to be and being for the sole and exclusive benefit of the Bondholders and each Secured Creditor.

Section 10.03 Rights of Credit Providers. (a) A Supplemental Indenture authorizing a Series of Obligations may provide that any Credit Provider providing a Credit Support Instrument with respect to Obligations of such Series may exercise any right under this Indenture given to the Owners of the Obligations to which such Credit Support Instrument relates.

(b) All provisions under this Indenture authorizing the exercise of rights by a Credit Provider with respect to consents, approvals, directions, waivers, appointments, requests or other actions, shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned therein during any period during which there is a default by such Credit Provider under the applicable Credit Support Instrument or after the applicable Credit Support Instrument shall at any time for any reason cease to be valid and binding on the Credit Provider, or shall be declared to be null and void by final judgment of a court of competent jurisdiction, or after the Credit Support Instrument has been rescinded, repudiated by the Credit Provider or terminated, or after a receiver, conservator or liquidator has been appointed for the Credit Provider or if the Credit Provider is rated

below Baa3 by Moody's or BBB- by S&P. All provisions relating to the rights of a Credit Provider shall be of no further force and effect if all amounts owing to the Credit Provider under a Credit Support Instrument have been paid and the Credit Support Instrument provided by such Credit Provider is no longer in effect.

Section 10.04 Severability. If any provision of this Indenture is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. If any one or more of the provisions contained in this Indenture or in the Obligations shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have executed this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof, and authorized the issuance of the Obligations pursuant to this Indenture, irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 10.05 Notices. Except as otherwise provided herein, it shall be sufficient service or giving of notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Authority:

Orange County Transportation Authority
550 South Main Street
P.O. Box 14184
Orange, CA 92863-1584

Attention: Executive Director—Finance and Administration
Telephone: 714-560-5649
Fax: 714-560-5800

If to the Trustee:

US Bank Trust Company, National Association

Attention: Corporate Trust
Telephone:
Fax:

The Authority and the Trustee by notice given hereunder may designate any different addresses to which subsequent notices, certificates or other communications shall be sent, or addresses or other instructions for the giving of Electronic notice, but no notice directed to any one such entity shall be thereby required to be sent to more than two addresses.

Section 10.06 **Payments Due on Non-Business Days.** Except as specifically provided otherwise in a Supplemental Indenture, any payment or transfer that would otherwise become due on a day that is not a Business Day need not be made on such day but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date due, and no interest shall accrue for the period from and after the date due.

Section 10.07 **Captions.** The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 10.08 **California Law.** This Indenture shall be construed and governed in accordance with the laws of the State of California.

Section 10.09 **Effective Date.** This Indenture shall become effective upon its execution and delivery.

Section 10.10 **Execution in Several Counterparts.** This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Master Indenture to be executed by their officers thereunto duly authorized as of the day and year first written above.

**ORANGE COUNTY TRANSPORTATION
AUTHORITY**

By _____

Darrell Johnson
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
General Counsel

**US BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee**

By _____

Authorized Officer

EXHIBIT A

FORM OF FUNDS TRANSFER CERTIFICATE

EXHIBIT B
TIFIA LOAN AGREEMENT

[TO BE ATTACHED]