
THE STATE OF ILLINOIS

TO

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee

MASTER TRUST INDENTURE

SECURING

BUILD ILLINOIS BONDS

(SALES TAX REVENUE BONDS)

Dated as of September 15, 1985

CONFORMED COPY REFLECTING AMENDMENTS
FROM THE FOLLOWING SUPPLEMENTAL INDENTURES:

Fourth Supplemental Indenture, Dated January 1, 1987
Eighth Supplemental Indenture, Dated October 15, 1988
Eleventh Supplemental Indenture, Dated August 15, 1989
Thirteenth Supplemental Indenture, Dated May 15, 1990
Sixteenth Supplemental Indenture, Dated October 15, 1991
Twenty Second Supplemental Indenture, Dated September 15, 1994
Twenty Fifth Supplemental Indenture, Dated December 15, 1997
Forty Fifth Supplemental Indenture, Dated December 1, 2009
Forty Sixth Supplemental Indenture, Dated June 1, 2010

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	DEFINITIONS AND INTERPRETATIONS 3
Section 101.	Definitions..... 3
Section 102.	Interpretation..... 17
Section 103.	Severability of Invalid Provisions..... 17
Section 104.	Successors and Assigns..... 18
Section 105.	Parties Interested Herein 18
ARTICLE II	AUTHORIZATION, OBLIGATION AND ISSUANCE OF BONDS 18
Section 201.	Authorization for Indenture 18
Section 202.	Indenture to Constitute Contract..... 18
Section 203.	Authorization of Bonds..... 18
Section 204.	Source of Payment; Pledge of Revenues and Other Moneys 19
Section 205.	Issuance and Delivery of Bonds 19
Section 206.	Conditions Precedent to Delivery of any Series 20
Section 207.	Conditions Precedent to Delivery of any Series of Refunding Bonds..... 21
Section 208.	Application of Proceeds of Bonds 22
Section 209.	Credit Enhancements for Series of Bonds 22
Section 210. ¹	Conditions Precedent to Delivery of Junior Obligations 22
ARTICLE III	GENERAL TERMS AND PROVISIONS OF BONDS 23
Section 301.	Title and Date of Bonds 23
Section 302.	Payment Dates 24
Section 303.	Legends..... 24
Section 304.	Place and Medium of Payment 24
Section 305.	Form and Denominations; Payment of Interest 24
Section 306.	Interchangeability of Bonds..... 25
Section 307.	Negotiability, Transfer and Registry..... 25
Section 308.	Regulations With Respect to Exchanges and Transfers 26
Section 309.	Bonds Mutilated, Destroyed, Stolen or Lost..... 27
Section 310.	Preparation of Definitive Bonds, Temporary Bonds 27
Section 311.	Cancellation and Destruction of Bonds or Coupons..... 28
Section 312.	Execution 28
Section 313.	Authentication..... 29
Section 314.	Variable Rate Bonds and Section 209 Obligations..... 29
ARTICLE IV	BUILD ILLINOIS BOND FUND 30
Section 401.	Deposits into Build Illinois Bond Fund 30
Section 402.	Disbursements from Build Illinois Bond Fund..... 30

¹ Section added by amendment, Section 6.4 of the Forty Sixth Supplemental Indenture, dated June 1, 2010.

TABLE OF CONTENTS
(continued)

		<u>Page</u>
ARTICLE V	FUNDS AND ACCOUNTS	30
Section 501.	Creation of Funds and Accounts.....	30
Section 502.	Deposit of Revenues	32
Section 503.	Disbursement from Revenue Fund	33
Section 504.	Use of Funds	35
Section 505.	General Regulations as to Investments	37
ARTICLE VI	REDEMPTION OF BONDS	39
Section 601.	Privilege of Redemption and Redemption Price.....	39
Section 602.	Redemption at the Election or Direction of the State	39
Section 603.	Redemption Otherwise Than at State’s Election or Direction.....	39
Section 604.	Selection of Bonds to be Redeemed by Lot.....	40
Section 605.	Notice of Redemption	41
Section 606.	Payment of Redeemed Bonds	42
ARTICLE VII	COVENANTS OF THE STATE	42
Section 701.	Equality of Security	42
Section 702.	Equality of Bonds	42
Section 703.	Punctual Payment.....	42
Section 704.	State Covenant	43
Section 705.	Against Pledge of Revenues	43
Section 706.	Offices for Servicing Bonds.....	43
Section 707.	Power to Issue Bonds and Make Pledge Contained in Section 204	43
Section 708.	Further Assurances.....	44
Section 709.	Prompt Expenditure of Bond Proceeds.....	44
Section 710.	Tax Covenants	44
Section 711.	Variable Debt Service Limitation	44
Section 712.	Reserved Rights of State.....	45
ARTICLE VIII	SUPPLEMENTAL INDENTURES	45
Section 801.	Supplemental Indentures Effective Upon Filing with the Trustee.....	45
Section 802.	Supplemental Indentures Effective Upon Consent of Trustee.....	46
Section 803.	Supplemental Indentures Effective Upon Consent of Bondholders	47
Section 804.	General Provisions	47
ARTICLE IX	AMENDMENTS	48
Section 901.	Mailing of Notice of Amendment.....	48
Section 902.	Powers of Amendment.....	48
Section 903.	Consent of Bondholders.....	48
Section 904.	Modifications by Unanimous Consent.....	50
Section 905.	Exclusion of Bonds	50

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Section 906. Notation on Bonds	50
ARTICLE X DEFAULT AND REMEDIES	50
Section 1001. Events of Default	50
Section 1002. Remedies	51
Section 1003. Priority of Payments After Default	52
Section 1004. Termination of Proceedings	53
Section 1005. Direction of Proceedings by Bondholders	53
Section 1006. Limitation on Rights of Bondholders	54
Section 1007. Possession of Bonds by Trustee Not Required	54
Section 1008. Remedies Not Exclusive	55
Section 1009. No Waiver of Default	55
Section 1010. Notice to Bondholders	55
ARTICLE XI CONCERNING THE FIDUCIARIES	55
Section 1101. Trustee	55
Section 1102. Appointment and Acceptance of Duties of Paying Agents	55
Section 1103. Funds Held in Trust and Security Therefor	56
Section 1104. Responsibility of Fiduciaries	56
Section 1105. Evidence on Which Fiduciaries May Act	56
Section 1106. Compensation and Expenses	57
Section 1107. Permitted Acts and Functions	57
Section 1108. Resignation of Trustee	57
Section 1109. Removal of Trustee	57
Section 1110. Appointment of Successor Trustee	57
Section 1111. Transfer of Rights and Property to Successor Trustee	58
Section 1112. Merger or Consolidation	58
Section 1113. Adoption of Authentication	58
Section 1114. Resignation or Removal of Paying Agents and Appointment of Successors	59
Section 1115. Evidence of Signatures of Bondholders and Ownership of Bonds	59
Section 1116. Preservation and Inspection of Documents	60
ARTICLE XII MISCELLANEOUS	60
Section 1201. Defeasance	60
Section 1202. Funds Held for Particular Bonds and Coupons	61
Section 1203. No Recourse Under Indenture or on Bonds	62
Section 1204. Notices	62
Section 1205. Counterparts	62
Section 1206. Applicable Law	63

THIS MASTER INDENTURE OF TRUST, dated as of September 15, 1985, from the STATE OF ILLINOIS (the "State") to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States with its principal corporate trust office located at 30 North LaSalle Street, Chicago, Illinois 60697;

W I T N E S S E T H:

WHEREAS, the State in accordance with the provisions of Section 9 of Article IX of the 1970 Constitution of the State of Illinois is authorized to incur State debt for specific purposes in such amounts as may be provided in a law passed by the vote of three-fifths of the members elected to each house of the General Assembly; and

WHEREAS, pursuant to "AN ACT to create the Build Illinois Bond Act and creating and amending various Acts in relation thereto," Public Act 84-111, passed by the General Assembly by the vote of three-fifths of the members elected to each house and approved by the Governor on July 25, 1985 (the "Act"), the State is authorized to issue, from time to time, its Bonds (as hereinafter defined) for the specific purposes and in the amounts provided in the Act; and

WHEREAS, the State desires to issue its Bonds from time to time, in one or more series, pursuant to the provisions of this Indenture, each series to be created by a Supplemental Indenture (as hereinafter defined); and

WHEREAS, the execution and delivery of this Indenture has been, and prior to the issuance of each series of Bonds the execution and delivery of the related Supplemental Indenture and the issuance of such series will be, duly and validly authorized by a Bond Sale Order (as hereinafter defined):

NOW, THEREFORE, THIS MASTER INDENTURE OF TRUST WITNESSETH:

That the State, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, one dollar duly paid to the State by the Trustee at or before the execution and delivery of these presents and of other good and valuable considerations, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all Bonds Outstanding from time to time, according to their tenor and effect, and to secure the observance and performance by the State of all the covenants expressed or implied herein and in the Bonds, does hereby grant, pledge and assign unto the Trustee, and unto its successors and assigns forever:

GRANTING CLAUSE FIRST

the Revenues (as hereinafter defined), such pledge constituting a first and prior claim against and charge on the Revenues;²

GRANTING CLAUSE SECOND

all moneys on deposit in the Retirement and Interest Fund (as hereinafter defined) and in the Funds and Accounts maintained under this Indenture to the extent provided herein, such pledge constituting an irrevocable, first priority pledge of and lien on such moneys; and

GRANTING CLAUSE THIRD

any and all other property of any nature from time to time hereafter by delivery or by writing of any kind granted, pledged or assigned as and for additional security hereunder, by the State or by anyone on its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any time and at all times and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever;

IN TRUST NEVERTHELESS, upon the term and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds from time to time secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as otherwise provided herein or in any Supplemental Indenture;

PROVIDED, HOWEVER, that if the State, its successors or assigns, shall well and truly pay or cause to be paid the principal of all of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the intent and meaning thereof, or shall provide, as permitted by Section 1201, for the payment thereof, 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 or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof to the extent provided herein, then this Indenture and the rights hereby granted shall cease, determine and be void except as otherwise provided in any Supplemental Indenture; otherwise this Indenture to be and remain in full force and effect.

THIS MASTER INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued hereunder or secured hereby are to be issued and secured and the Revenues and other moneys hereby granted, pledged and assigned are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants,

² GRANTING CLAUSE FIRST is reiterated on and as of the date of delivery (August 15, 1989) of the Eleventh Supplemental Indenture.

agreements, trusts, uses and purposes as hereinafter expressed, and the State has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners from time to time of the Bonds as follows:

ARTICLE I

Definitions and Interpretations

Section 101. Definitions. The following terms, for all purposes of this Indenture, and of any indenture amendatory hereof or supplemental hereto, and of any certificate, opinion or other document herein mentioned, shall have the meanings herein specified unless the context clearly indicates otherwise:

“Accounts” means the special accounts created and established pursuant to Article V.

3

“Act” means “AN ACT to create the Build Illinois Bond Act and creating and amending various Acts in relation thereto,” Public Act 84-111, approved July 25, 1985, as amended.

“Aggregate Debt Service” means, as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period, an amount of money equal to the aggregate of the amounts of Annual Debt Service with respect to such Fiscal Year or other specified 12-month period and to the Senior Bonds of all Series.

“Annual Debt Service” means, as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period and to Senior Bonds of a particular Series, an amount of money equal to the sum of (a) all interest payable during such Fiscal Year or other specified 12-month period on all Bonds of said Series Outstanding on said date of computation (provided that interest on Variable Rate Bonds of said Series shall be included at the Assumed Variable Amount) and (b) all Principal Installments payable during such Fiscal Year or other specified 12-month period with respect to all Bonds of said Series Outstanding on said date of computation, all calculated on the assumption that Bonds of said Series will after said date of computation cease to be Outstanding by reason, but only by reason, of the payment when due and application in accordance with this Indenture and the Supplemental Indenture creating such Series of Principal Installments payable at or after said date of computation. For purposes of this definition the term “interest” shall not include Subordinated Interest and the term “Principal Installments” shall not include Subordinated Principal Installments.

“Appreciation and Income Bond” means any Senior Bond or Senior Bonds of a Series sold at a price less than 97% of the Compounded Amount thereof payable at maturity, but only if (a) such Bond or Bonds are designated as an Appreciation and Income Bond or Bonds by

³ Definition “Accreted Value” deleted by amendment, Section 5.1 of the Thirteenth Supplemental Indenture, dated May 15, 1990.

the Supplemental Indenture providing for the issuance of such Series of Bonds, (b) Annual Debt Service on such Series of Bonds, together with Annual Debt Service on all other Series of Outstanding Bonds, is as nearly level or equal as possible, taking into consideration prevailing financial techniques, including, without limitation, the possible initial delay of principal maturities in early years and the use of Capitalized Interest, the determination by the Director in the applicable Bond Sale Order as to such level Annual Debt Service being final and conclusive, and (c) such Appreciation and Income Bonds may also be designated either serial or term Bonds by the Supplemental Indenture providing for the issuance of such Bonds.⁴

“Appreciation Bond” means any Senior Bond or Senior Bonds of a Series sold at a price less than 97% of the Compounded Amount thereof payable at maturity, but only if (a) such Bond or Bonds are designated as an Appreciation Bond or Bonds by the Supplemental Indenture providing for the issuance of such Series of Bonds, (b) Annual Debt Service on such Series of Bonds, together with Annual Debt Service on all other Series of Outstanding Bonds, is as nearly level or equal as possible, taking into consideration prevailing financial techniques, including, without limitation, the possible initial delay of principal maturities in early years and the use of Capitalized Interest, the determination by the Director in the applicable Bond Sale Order as to such level Annual Debt Service being final and conclusive, and (c) such Appreciation Bonds may also be designated either serial or term Bonds by the Supplemental Indenture providing for the issuance of such Bonds.⁵

“Assumed Variable Amount” means, as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period and to Variable Rate Bonds of a particular Series of Senior Bonds, an amount of money equal to (a) the interest payable on such Variable Rate Bonds calculated at the maximum rate permitted under the Bond Sale Order and Supplemental Indenture authorizing the issuance of such Variable Rate Bonds, less (b) the amount permitted to be credited under Section 711 and the terms of such Supplemental Indenture, against the amount of interest on such Variable Rate Bonds required to be included in any computation with respect to such period, including but not limited to, any computation of Annual Debt Service, Certified Annual Debt Service Requirement and Required Bond Transfer. For purposes of this definition the term “interest” shall not include Subordinated Interest.

“Authorized Newspapers” means not less than two newspapers or financial journals printed in the English language and customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, one of which is of general circulation in the City of Chicago, Illinois, and the other of which is of general circulation in the Borough of Manhattan, City and State of New York.

“Authorized Officer” means with respect to the State (a) the Governor, the Director, or any other person so designated by a Certificate signed by the Governor and filed with the Secretary of State and the Trustee for so long as such designation shall be in effect and (b) the Secretary of State with respect to the certification of any law or any other document filed in his office, and with respect to the Trustee any duly authorized officer or trust officer of the

⁴ As amended by Section 5.1 of the Thirteenth Supplemental Indenture, dated May 15, 1990.

⁵ As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

Trustee empowered to act on behalf of the Trustee and identified in a Certificate delivered to the Director.

“Bond Counsel” means a firm of attorneys having expertise in the field of law relating to municipal, state and public agency financing, selected by the State and satisfactory to the Trustee.

“Bondholder” or “holder” or “owner” or words of similar import, when used with reference to a Bond, means any person who shall be the bearer of any Outstanding Bond registered to bearer or not registered, or the registered owner of any Outstanding Bond at the time registered other than to bearer.

“Bonds” means any Senior Bonds and Junior Obligations of the State authenticated and delivered as a Series under and pursuant to Article II of this Indenture and any Section 209 Obligations.

“Bond Sale Order” means any Bond Sale Order as defined in Section 6(a) of Article 1 of the Act.

“Build Illinois Act” means “AN ACT to foster business development and modernization of infrastructure through the Build Illinois Program and to provide for the financing thereof, amending Acts therein named”, Public Act 84-109, approved July 25, 1985, as amended.

“Build Illinois Bond Account” means the Build Illinois Bond Account in the Build Illinois Fund.

“Build Illinois Bond Fund” means the Build Illinois Bond Fund created in the State Treasury pursuant to the Build Illinois Act.

“Build Illinois Fund” means the Build Illinois Fund created in the State Treasury pursuant to Section 6z-9 of the Finance Act.

“Build Illinois Purposes Fund” means the Build Illinois Purposes Fund created in the State Treasury pursuant to the Build Illinois Act.

“Capital Projects Fund” means the Capital Projects Fund created in the State Treasury.⁶

“Capitalized Interest” means any amount included in the proceeds of any Series of Bonds for the payment of interest on Bonds.

⁶ As amended by Section 5.2 of the Forty Fifth Supplemental Indenture, dated December 1, 2009. Sections 5.1 and 5.3 of the Forty Fifth Supplemental Indenture provide explanation of the Capital Projects Fund and the Illinois Jobs Now capital program.

“Capitalized Interest Account” means an Account maintained in the Debt Service Fund for the deposit of the portion, if any, of the proceeds of any Series of Bonds representing Capitalized Interest.

“Certificate” means an instrument of the State or of the Trustee in writing signed by an Authorized Officer. Any such instrument in writing and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instruments, opinion or representation, and the two or more so combined shall be read and construed so as to form a single instrument.

“Certified Annual Debt Service Requirement” for any Fiscal Year means an amount equal to the Aggregate Debt Service and the Junior Annual Debt Service for such Fiscal Year, plus an amount equal to the difference, if any, between (a) the Aggregate Debt Service and the Junior Annual Debt Service for any prior Fiscal Year and (b) the amount of Revenues deposited with the Trustee for such prior Fiscal Year, plus an amount of money equal to the aggregate amounts required by the provisions of this Indenture and all Supplemental Indentures to be deposited from Revenues in all Funds or Accounts hereunder and in all funds, accounts and subaccounts created under such Supplemental Indentures in such Fiscal Year, minus any moneys in the Capitalized Interest Account to be used to pay interest on Bonds during such Fiscal Year.

“Code” means the Internal Revenue Code of 1986,⁷ as from time to time supplemented and amended. Reference to the Code and to sections of the Code shall include relevant final, temporary or proposed Regulations as in effect from time to time and, with reference to any Series, as applicable to obligations issued on the date of issuance of such Series.

“Compounded Amount” when used with reference to any Appreciation Bond or any Appreciation and Income Bond, shall mean:

(i) The Initial Offering Price, plus

(ii) the amount, assuming semi-annual compounding, of earnings which would be produced on an investment of the Initial Offering Price, (a) in the case of an Appreciation Bond, beginning on the date of delivery of such Bond, at a yield which, if received throughout the term of such Bond, would produce the principal amount and interest payable at maturity on such Bond in accordance with its terms, and (b), in the case of an Appreciation and Income Bond, beginning on the date of such Bond and ending on the Current Interest Commencement Date, at a yield which, if received until the Current Interest Commencement Date will produce the principal amount plus the compounded interest payable at maturity on such Bond in accordance with its terms.

“Compounded Amount” shall further mean, to the extent provided in a Supplemental Indenture, as applied to any particular Series of Bonds, in respect of each \$5,000 principal and interest payable at maturity of any Appreciation Bond or any Appreciation and Income Bond, on any June 15 and December 15 prior to maturity, the amount set forth in the table of Compounded Amounts appearing on such Bond, as provided in the applicable

⁷ As amended by Section 5.3 of the Fourth Supplemental Indenture, dated January 1, 1987.

Supplemental Indenture. “Compounded Amount” shall also further mean, to the extent provided in a Supplemental Indenture, as applied to any particular Series of Bonds, in respect of each \$5,000 principal and interest payable at maturity of any Appreciation Bond or any Appreciation and Income Bond, on a date other than a June 15 or December 15, the Compounded Amount on the next preceding December 15 or June 15 plus the portion of the difference between the Compounded Amount on the next preceding December 15 or June 15 and the next succeeding June 15 or December 15 that the number of days from the next preceding December 15 or June 15 to the date for which the determination is being calculated bears to the total number of days from the next preceding December 15 or June 15 to the next succeeding June 15 or December 15.⁸

“Comptroller” means the Comptroller of the State of Illinois.

“Costs of Issuance” means any item of expense payable or reimbursable, directly or indirectly, by the State and related to the authorization, offering, sale, issuance and delivery of Bonds, including but not limited to travel and other expenses of any officer or employee of the State in connection with the authorization, offering, sale, issuance and delivery of such Bonds, advertising, printing bond rating, travel, security, and delivery costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary or registrar, legal and financial advisory fees and disbursements, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, application fees and premiums on municipal bond insurance, initial credit or liquidity facility charges, initial fees of indexing and remarketing agents, initial costs of entering into interest rate swaps, guarantees or arrangements to limit interest rate risk and costs and expenses relating to the refunding of Bonds.

“Counsel’s Opinion” means a written opinion of counsel selected by the State (who may be the Attorney General of the State). Any Counsel’s Opinion may be based, insofar as it relates to factual matters (information with respect to which is in the possession of the State) upon a certificate or opinion of, or representation by, an officer of the State, unless such counsel knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous.

“Current Interest Commencement Date” means the date designated in the applicable Supplemental Indenture on which interest on any Appreciation and Income Bond ceases to be deferred and compounded and becomes currently payable on the scheduled Interest Payment Dates.

“Debt Service Fund” means the Debt Service Fund created by Section 501.

“Debt Service Reserve Fund” means the Debt Service Reserve Fund created by Section 501.

⁸ As amended by Section 5.1 of the Thirteenth Supplemental Indenture, dated May 15, 1990.

“Debt Service Reserve Fund Requirement” means at any time an amount equal to 50% of the maximum Aggregate Debt Service for the then current or any future Fiscal Year; provided, however, that for purposes of this definition interest payable on each Series of Variable Rate Senior Bonds shall, to the extent includible in Aggregate Debt Service, be included in Aggregate Debt Service at the maximum rate permitted under the Bond Sale Order and Supplemental Indenture authorizing the issuance of such Series.

“Director” means the Director of the Bureau of the Budget of the State of Illinois or any successor to the responsibilities of such office as authorized by law.

“Event of Default” means an Event of Default under Section 1001.

“Federal Obligation” means any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America, including, but not limited to, United States Treasury Certificates of Indebtedness, Notes and Bonds - State and Local Government Series or certificates of ownership of the principal of or interest on direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System and has capital and surplus (exclusive of undivided profits) in excess of \$100,000,000.

“Fiduciary” means the Trustee, any trustee under a Supplemental Indenture or any Paying Agent or any or all of them, as may be appropriate.

“Finance Act” means “An Act in relation to State finance,” approved June 10, 1919, as amended.

“Fiscal Year” means July 1 through June 30 of any year.

“Fixed Rate Bonds” means Bonds other than Variable Rate Bonds.

“Funds” means the special funds created and established pursuant to Article V.

“General Assembly” means the General Assembly of the State of Illinois.

“General Reserve Fund” means the General Reserve Fund created by Section 501.

“Governor” means the Governor of the State of Illinois.

“Indenture” means this Master Trust Indenture as originally executed and delivered by the State and the Trustee and as the same may from time to time be amended or supplemented by Supplemental Indentures executed and delivered by the State and the Trustee in accordance with Article VIII.

“Independent Accountant” means a certified public accountant selected by the State and licensed to practice in the State of Illinois, and who (a) in the case of an individual, shall not be a director, officer or employee of the State, (b) shall be satisfactory to the Trustee

and (c) may be the accountant that regularly audits the books of the State or any State agency or instrumentality.

“Initial Offering Price” means the principal amount of an Appreciation Bond or an Appreciation and Income Bond and the price at which such Bond is offered for sale to the public or sold to the initial purchaser thereof at the time of sale thereof by the State without reduction to reflect underwriters’ discount or placement agent’s fees.⁹

“Interest Account” means the Interest Account in the Debt Service Fund.

“Interest Payment Date” means any Payment Date on which interest on any Bond is payable, notwithstanding that in respect of Appreciation Bonds or Appreciation and Income Bonds such interest is paid on a deferred basis.

“Junior Annual Debt Service” means as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period and with respect to all Junior Obligations and to all Senior Bonds with respect to which Subordinated Interest or Subordinated Principal Installments are payable, an amount of money equal to the sum of (a) all interest and Subordinated Interest payable during such Fiscal Year or other specified 12-month period on all Junior Obligations and all such Senior Bonds Outstanding on said date of computation (provided that interest or Subordinated Interest payable at a variable rate shall be included on the basis of the maximum rate permitted under the Bond Sale Order and Supplemental Indenture or other instrument authorizing the issuance of such Junior Obligations or Senior Bonds, as the case may be, less amounts permitted to be credited under Section 711 and the terms thereof against the amount of interest or Subordinated Interest required to be included in any computation with respect to such period of any debt service reserve fund requirement, the Certified Annual Debt Service Requirement, or the Required Bond Transfer), plus (b) all Principal Installments and Subordinated Principal Installments payable during such Fiscal Year or other specified 12-month period in respect of all Junior Obligations and all such Senior Bonds Outstanding on such date of computation.

“Junior Obligation Debt Service Fund” means the Junior Obligation Debt Service Fund created by Section 501.

“Junior Obligations” means Bonds of any Series designated as Junior Obligations in the Supplemental Indenture authorizing such Series, any obligation to pay Subordinated Interest or any Subordinated Principal Installment, and any Section 209 Obligations.

“Metropolitan Fair and Exposition Authority” means the Metropolitan Fair and Exposition Authority established under the “Metropolitan Fair and Exposition Authority Act”, approved July 7, 1955, as amended.

“Metropolitan Fair and Exposition Authority Improvement Bond Fund” means the fund so named and established under the “Metropolitan Fair and Exposition Authority Act”, approved July 7, 1955, as amended.

⁹ As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

“Monthly Deposit Percentage” means, with respect to the Fiscal Year ending June 30, 1986, one-ninth of 150% and, with respect to each Fiscal Year thereafter, one-twelfth of 150%.

“Navy Pier Act” means “AN ACT to develop the State’s economy by promoting the modernization and upgrade of Navy Pier and various local waste water treatment facilities and to assist in the finalizing thereof,” Public Act 86-0017, approved July 21, 1989.¹⁰

“Net Debt Service Account” means the Net Debt Service Account in the General Reserve Fund.

“Net Debt Service Requirement” means, as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period, an amount equal to (a) the Aggregate Debt Service less (b) an amount equal to that portion of Aggregate Debt Service which may be paid when due from any moneys, Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof, together with interest thereon, set aside in trust in the Net Debt Service Account solely for the purpose of paying all or any portion of Aggregate Debt Service; provided that the principal of and interest on such Federal Obligations and Qualified Investments, when due (without reinvestment thereof) will provide moneys which, together with any moneys so set aside, shall be sufficient to pay such portion of Aggregate Debt Service when due.

“Outstanding,” when used with reference to the Bonds, means as of any date, all Bonds theretofore or thereupon being issued pursuant to this Indenture except:

(a) Bonds cancelled by the Trustee or the owner of a Section 209 Obligation, as the case may be, at or prior to such date or theretofore delivered to the Trustee or such owner, as the case may be, for cancellation;

(b) Bonds (or portions of Bonds) for the payment or redemption of which there shall be held in trust and set aside for such payment or redemption (whether at, prior to or after the maturity or redemption date) moneys or Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof in Section 101 the principal of and interest on which when due and payable will provide moneys, together with the moneys, if any, deposited with the Trustee at the same time, in an amount sufficient to pay the principal or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, and, if such Bonds are to be redeemed, for which notice of such redemption shall have been given as provided herein or in the related Supplemental Indenture or provisions satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Bonds for the transfer or exchange of, in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Indenture; and

¹⁰ As amended by Section 5.1 of the Eleventh Supplemental Indenture, dated August 15, 1989.

(d) Bonds deemed to have been paid as provided in Section 1201 or in any Supplemental Indenture.

“Paying Agent” means any bank or trust company designated as a paying agent for a Series and its successor or successors hereafter appointed in the manner herein provided.

“Payment Date” means any date on which a Principal Installment or interest on any Series of Bonds or any Section 209 Obligations is payable in accordance with its terms and the terms of this Indenture and the Supplemental Indenture or instrument creating such Series or Section 209 Obligations.

“Principal Account” means the Principal Account in the Debt Service Fund.

“Principal Installment” means as of any particular date of computation and with respect to Bonds of a particular Series or particular Section 209 Obligations, an amount of money equal to the aggregate of (i) the principal amount of Outstanding Bonds or Section 209 Obligations which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds or Section 209 Obligations which would at or before said future date be retired by reason of the payment when due and application in accordance with this Indenture of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Bonds or Section 209 Obligations, plus (ii) the amount of any Sinking Fund Payments payable on said future date for the retirement of any Outstanding Bonds of such Series or said Section 209 Obligations, and said future date shall, for all purposes hereof, be deemed to be the date when such Principal Installment is payable and the date of such Principal Installment.

“Program Expense Fund” means the Program Expense Fund created by Section 501.

“Program Expenses” means any item of expense relating to the Bonds payable or reimbursable, directly or indirectly, by the State and relating to the fees and charges of any Fiduciary or registrar, costs of credit or liquidity enhancement arrangements, fees of indexing or remarketing agents and costs of interest rate swaps, guarantees or arrangements to limit interest rate risk; provided, however, that Program Expenses shall not include any item of expense which is a Cost of Issuance.

“Project” means the project or governmental purpose to be financed from the proceeds of the Bonds.

“Qualified Collateral” means:

(a) Federal Obligations;

(b) Direct and general obligations of any state of the United States of America, any direct obligations of the State, or any direct obligations of any political subdivision of the State which, in each case, are rated not less than AA or Aa or their equivalents by two nationally recognized bond rating agencies; and

(c) Public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.

“Qualified Financial Institution” means any bank, insurance company, corporation or other person having capital, surplus and undivided profits or net worth aggregating not less than \$100,000,000 and whose senior debt is rated in one of the two highest rating categories by at least two nationally recognized rating agencies; provided that such bank, insurance company, corporation or person shall further meet the requirements imposed by the Act for banks, insurance companies or other persons executing arrangements with the State with respect to interest rate swaps or guarantees or financial futures contracts for the purpose of limiting or restricting interest rate risk.

“Qualified Investments” means:

(a) Federal Obligations;

(b) Deposits in interest-bearing deposits or certificates of deposit or similar arrangements issued by any bank or national banking association, including a Fiduciary, which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by Qualified Collateral having a current market value (exclusive of accrued interest) at all times at least equal to 102% of the amount of such deposits, and which Qualified Collateral shall have been deposited in trust by such bank or national banking association with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the State and the Trustee, with another bank, trust company or national banking association for the benefit of the State and the appropriate Fund or Account as collateral security for such deposits;

(c) Direct and general obligations of any state of the United States of America, any direct obligations of the State, or any direct obligations of any political subdivision of the State which, in each case, are rated not less than AA or Aa or their equivalents by two nationally recognized bond rating agencies;

(d) Obligations issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks System, Federal Land Banks, Export-Import Bank, Tennessee Valley Authority, Government National Mortgage Association, Farmers Home Administration, United States Postal Service, the Federal National Mortgage Association to the extent that such obligations are guaranteed by the Government National Mortgage Association, any agency or instrumentality of the United States of America and any corporation controlled and supervised by, and acting as an agency or instrumentality of, the United States of America;

(e) Repurchase agreements extending not beyond 30 calendar days with banks which are Members of the Federal Reserve System having capital, surplus and undivided profits of at least \$100,000,000 or with government bond dealers having capital, surplus and undivided profits or net worth of at least \$100,000,000 and recognized as primary dealers by the Federal Reserve Bank of New York that are secured by Federal Obligations having a current market value (inclusive of accrued interest) at all times at least equal to 102% of the full amount of the repurchase agreement, and which Federal Obligations shall have been deposited in trust by such banks or dealers with the trust department of the Trustee or with a Federal Reserve Bank or branch, or with the written approval of the State and the Trustee, with another bank, trust company or national banking association for the benefit of the State and the appropriate Fund or Account as collateral security for such repurchase agreements;

(f) Public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; and

(g) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obliger to give due notice of redemption and to call such bonds or obligations for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in the definition of Federal Obligation which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (i) of this paragraph (g), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in the definition of Federal Obligation which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph (g) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) of this paragraph (g), as appropriate.

“Redemption Price” means with respect to any Series of Bonds or any particular Section 209 Obligations, the principal amount of the Bonds or Section 209 Obligations plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bonds or Section 209 Obligations or the Supplemental Indenture creating such Series or the instrument creating such Section 209 Obligations.

“Reform Act” means “AN ACT relating to taxes and the use thereof, amending Acts named therein,” Public Act 85-1135, approved July 28, 1988, as amended.¹¹

“Reform Fund” means the State and Local Sales Tax Reform Fund created in the State Treasury pursuant to Section 6z-17 of the Finance Act.¹²

“Reform Fund Amounts” means the amounts of money required to be transferred monthly from the Reform Fund to the Build Illinois Fund as provided in Section 6z-17 of the Finance Act.¹³

“Refunding Bonds” means all Bonds, whether Section 209 Obligations or issued in one or more Series, delivered on original issuance for the purpose of the refunding of Bonds of any Series or Section 209 Obligations and all Bonds thereafter delivered in lieu of or in substitution for such Bonds pursuant to this Indenture.

“Regulations” means the Income Tax Regulations (26 CFR Part 1) promulgated under and pursuant to the Code.

“Required Bond Transfer” means with respect to any Fiscal Year the amount of money required to be transferred from the Build Illinois Bond Account to the Retirement and Interest Fund and to be paid from the Retirement and Interest Fund to the Trustee for such Fiscal Year as provided in Section 502(c) hereof and Section 13 of Article 1 of the Act.

“Retirement and Interest Fund” means the Build Illinois Bond Retirement and Interest Fund created in the State Treasury pursuant to Section 11(b) of Article 1 of the Act.

“Revenue Fund” means the Revenue Fund created by Section 501.

“Revenues” means all tax revenues and other moneys, from whatever source (including without limitation the Navy Pier Act),¹⁴ which by law are required to be deposited into the Build Illinois Fund for the purposes of making transfers to and payments from the Retirement and Interest Fund as required by Sections 6z-9 and 8.25 of the Finance Act and into the Capital Projects Fund for the purpose of making transfers to and payments from the Retirement and Interest Fund as required by Public Act 96-36 (amending Section 13 of the Act)¹⁵; provided, however, that Revenues shall not include (a) any tax revenues and other moneys, from whatever source, which by law, now or hereafter enacted, are required to be transferred from the McCormick Place Account in the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund as permitted by Section 712 or (b) one-twelfth of \$5,000,000 of the moneys received by the Illinois Department of Revenue and

¹¹ As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

¹² As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

¹³ As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

¹⁴ As amended by Section 5.1 of the Eleventh Supplemental Indenture, dated August 15, 1989.

¹⁵ As amended by Section 5.2 of the Forty Fifth Supplemental Indenture, dated December 1, 2009. Sections 5.1 and 5.3 of the Forty Fifth Supplemental Indenture provide explanation of the Capital Projects Fund and the Illinois Jobs Now capital program.

required to be paid each month into the Build Illinois Fund pursuant to Section 3-1001 of “The Illinois Vehicle Code,” approved September 29, 1969, as amended.

“Sales Tax” or “Sales Taxes” means the taxes now or hereafter imposed by the State pursuant to Section 9 of the “Use Tax Act,” approved July 14, 1955, as amended, Section 9 of the “Service Use Tax Act,” approved July 10, 1961, as amended, Section 9 of the “Service Occupation Tax Act,” approved July 10, 1961, as amended, and Section 3 of the “Retailers’ Occupation Tax Act,” approved June 28, 1933, as amended.

“Secretary of State” means the Secretary of State of Illinois.

“Section 209 Obligations” means any Junior Obligations in the form of obligations incurred by the State to reimburse or repay the issuer or issuers of one or more letters of credit or the provider or providers of lines of credit or other credit or liquidity enhancement facilities securing one or more Series of Bonds as described in Section 209 hereof, including any fees or other amounts payable to the issuer or provider of any such letter of credit or facility, whether such obligations are set forth in one or more agreements entered into between the State and the issuer or provider of any such letter of credit or facility, or in one or more notes or other evidences of indebtedness executed and delivered by the State pursuant thereto, or any combination thereof.

“Senior Bonds” means Bonds of any Series designated as Senior Bonds in the Supplemental Indenture authorizing such Series.

“Series” shall mean all of the Bonds authenticated and delivered on original issuance pursuant to a Supplemental Indenture and designated as a Series therein, but, unless the context clearly indicates otherwise, shall not include Section 209 Obligations.

“Sinking Fund Payment” means as of any particular date of determination and with respect to the Outstanding Bonds of any Series or with respect to any particular Section 209 Obligations, the amount required by the Supplemental Indenture creating such Series or the instrument creating such Section 209 Obligations to be paid in any event by the State on a single future date for the retirement of Bonds of such Series or of such Section 209 Obligations which mature after said future date, but does not include any amount payable by the State by reason only of the maturity of a Bond or Section 209 Obligation.

“State” means the State of Illinois.

“State Budget” means the annual budget of the State of Illinois.

“State Portion” means, commencing January 1, 1990, the portion of the Sales Taxes remaining after the monthly deposits of 20% thereof required to be made from and after such date pursuant to the Reform Act.¹⁶

“State Treasury” means the Treasury of the State of Illinois.

¹⁶ As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

“Subordinated Interest” means interest designated as Subordinated Interest under any Supplemental Indenture authorizing a Series of Senior Bonds which are Variable Rate Bonds and which is payable from the Junior Obligation Debt Service Fund to a person who becomes a Bondholder as a result of providing a credit or liquidity enhancement facility relating to such Series.

“Subordinated Principal Installment” means any Principal Installment designated as a Subordinated Principal Installment under any Supplemental Indenture authorizing a Series of Senior Bonds which are Variable Rate Bonds and which is payable from the Junior Obligation Debt Service Fund to a person who becomes a Bondholder as a result of providing a credit or liquidity enhancement facility relating to such Series.

“Supplemental Indenture” means an indenture supplemental to or amendatory of this Master Trust Indenture, executed and delivered by the State and the Trustee in accordance with Article VIII.

“Tax Act Amount” means the Tax Act Amount as defined in Section 3 of the “Retailers’ Occupation Tax Act,” approved June 28, 1933, as amended.

“Treasurer” means the Treasurer of the State of Illinois.

“Trustee” means Continental Illinois National Bank and Trust Company of Chicago, as trustee hereunder, or its successor as such trustee hereafter appointed in the manner provided in this Indenture and, with respect to any Supplemental Indenture, the trustee thereunder or its successor as trustee.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

“Variable Rate Account” means the Variable Rate Account in the Debt Service Fund.

“Variable Rate Bonds” means Bonds which bear interest at a variable interest rate.

“Variable Rate Interest Subaccount” means any subaccount in the Variable Rate Account created under a Supplemental Indenture authorizing a Series of Variable Rate Bonds for the purpose of paying interest on Variable Rate Bonds.

“Variable Rate Principal Subaccount” means a subaccount in the Variable Rate Account created under a Supplemental Indenture authorizing a Series of Variable Rate Bonds for the purpose of paying Principal Installments of Variable Rate Bonds.

A reference to the principal of or principal amount of a Bond in the defined terms “Outstanding,” “Principal Installment” and “Redemption Price” in this Section 101 shall be deemed to refer to the Compounded Amount of any Appreciation Bonds or Appreciation and Income Bonds; provided, however, that for purposes of the Act and all other purposes of this Indenture the principal of or principal amount of an Appreciation Bond or an Appreciation and

Income Bond shall mean its Initial Offering Price. All such references shall be deemed to be as of the June 15 or December 15 on which applied or next preceding the time of application unless the context shall clearly otherwise indicate.¹⁷

Section 102. Interpretation. In this Indenture, unless the context otherwise requires:

(i) The terms “hereby,” “hereof,” “hereto,” “hereunder,” “herein” and any similar terms used herein refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of execution and delivery of this Indenture;

(ii) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(iii) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(iv) Words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond;

(v) Any percentage of Bonds of one or more Series, for purposes of this Indenture, shall be computed on the basis of the unpaid principal amount of Bonds of such Series Outstanding at the time the computation is made or is required to be made hereunder;

(vi) Any headings preceding the text of the several Articles and Sections of this Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect; and

(vii) Articles and Sections mentioned by number only are the respective Articles and Sections of this Indenture so numbered.

Section 103. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the State or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Indenture or of the Bonds.

¹⁷ As amended by Section 5.1 of the Thirteenth Supplemental Indenture, dated May 15, 1990 (previously amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988).

Section 104. Successors and Assigns. Whenever in this Indenture the State is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the State contained in this Indenture shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the State, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Indenture.

Section 105. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the State, the Fiduciaries and the owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the State shall be for the sole and exclusive benefit of the State, the Fiduciaries and the owners of the Bonds.

ARTICLE II

Authorization, Obligation and Issuance of Bonds

Section 201. Authorization for Indenture. This Indenture is executed and delivered by the State by virtue of and pursuant to Article IX, Section 9 of the 1970 Constitution of the State of Illinois and the Act. The State has ascertained and hereby determines and declares that the execution and delivery of this Indenture is necessary to meet the needs of the citizens of the State, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the State and to carry out its powers and is in furtherance of the public benefit, safety and welfare to of the State and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order better to secure the Bonds and are contracts or agreements necessary, useful and convenient to carry out and effectuate the purposes of the State.

Section 202. Indenture to Constitute Contract. In consideration of the purchase and acceptance of Bonds by those who shall own the same from time to time, the provisions of this Indenture and any Supplemental Indenture shall be a part of the contract of the State with the owners of Bonds and shall be deemed to be and shall constitute a contract among the State, the Trustee and the owners from time to time of the Bonds.

Section 203. Authorization of Bonds. In order to provide sufficient funds for the financing or refinancing of Projects, Bonds are hereby authorized to be issued from time to time in one or more Series or in the form of Section 209 Obligations as hereinafter provided, without limitation as to amount except as may be limited herein or by law, for the purpose of (a) the payment, or the reimbursement for the payment of, the costs of one or more Projects, (b) the

refunding of any Bonds issued to finance or refinance one or more Projects, or (c) the funding of any Fund or Account, including, in each case, payment of Costs of Issuance.

Section 204. Source of Payment; Pledge of Revenues and Other Moneys. The Bonds shall be direct, limited obligations of the State payable solely from and secured by an irrevocable, first priority pledge of and lien on moneys on deposit in the Retirement and Interest Fund and certain other moneys and securities held by the Trustee under the provisions of this Indenture and any Supplemental Indenture. The State hereby pledges to the payment of the Bonds, the Revenues and all moneys and securities held or set aside or to be held or set aside by any Fiduciary under this Indenture or any Supplemental Indenture to secure the payment of the principal and Redemption Price of, and interest on, the Bonds, such pledge constituting a first and prior claim against and charge on the Revenues and a first priority pledge of and lien on such other moneys and securities, subject only to the provisions of this Indenture or any Supplemental Indenture requiring or permitting the payment, setting apart or application thereof for or to the purposes and on the terms, conditions, priorities and order set forth in or provided under this Indenture or such Supplemental Indenture.

Section 205. Issuance and Delivery of Bonds. Each Series of Bonds shall be created by a Supplemental Indenture which shall prescribe expressly or by reference with respect to such Series:

- (a) the authorized principal amount and Series designation of such Bonds and a designation of such Series as Senior Bonds or as Junior Obligations;
- (b) the purpose or purposes for which such Series is being issued;
- (c) the manner in which the proceeds of the Bonds of such Series are to be applied;
- (d) the date or dates, and the maturity date or dates, of the Bonds of such Series, or the manner of determining such dates;
- (e) the interest rate or rates to be borne by the Bonds of such Series or the manner of determining such rate or rates, and the Payment Dates for such Series;
- (f) the manner of dating, numbering and lettering the Bonds of such Series;
- (g) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Bonds of such Series or the manner of appointing and designating the same;
- (h) the Redemption Price or Prices, if any, of, and the redemption terms for the Bonds of such Series, or the manner of determining such Price or Prices and terms;
- (i) the amount and due date of each Sinking Fund Payment, if any, for Bonds of like maturity of such Series, or the manner of determining such amounts and dates;
- (j) provisions as to registration of the Bonds of such Series;

(k) the form and text of the Bonds of such Series and provision for the Trustee's authentication thereof by certificate or otherwise;

(l) provisions with respect to the priority of claim, lien or right of payment of such Series relative to any other Series of Bonds or any Section 209 Obligations; and

(m) any other provisions deemed advisable by the State as shall not conflict with the provisions hereof.

Section 206. Conditions Precedent to Delivery of any Series. Bonds of any Series shall be executed by the State and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the State or upon its order, but only following the receipt by the Trustee of:

(a) a copy of a Bond Sale Order signed by the Director and approved by the Governor, (i) authorizing the execution and delivery of the Supplemental Indenture referred to in Section 205, (ii) stating the identity of the purchasers, aggregate purchase price and date and place of delivery of such Series, (iii) stating that no Event of Default has occurred and is continuing under this Indenture, (iv) specifying the uses to which the proceeds of the Bonds of such Series shall be applied, including Costs of Issuance, and (v) certifying that the Build Illinois Fund, the Build Illinois Bond Account and the Retirement and Interest Fund have been established in the State Treasury and are being maintained in full accordance with the provisions of the Act and the Finance Act;

(b) a Counsel's Opinion to the effect that (i) this Indenture and such Supplemental Indenture have been duly and lawfully authorized by all necessary action on the part of the State, have been duly and lawfully executed by Authorized Officers of the State, are in full force and effect and are valid and binding upon the State and enforceable in accordance with their terms, except as enforceability may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors or principles of equity in the event equitable remedies are sought; (ii) the Act, this Indenture and such Supplemental Indenture create the valid pledge of Revenues, moneys and securities which they purport to create; and (iii) upon the execution, authentication and delivery thereof, the Bonds of such Series will have been duly and validly authorized and issued in accordance with the Constitution and laws of the State, this Indenture and such Supplemental Indenture;

(c) an executed counterpart of the Supplemental Indenture referred to in Section 205;

(d) with respect to any Series of Senior Bonds proposed to be issued, a Certificate signed by the Director certifying that (i) the Required Bond Transfer for the current and each future Fiscal Year through and including 1993 will at least equal the Net Debt Service Requirement for Outstanding Senior Bonds of all Series and for the proposed Series for each such Fiscal Year; (ii) the maximum Net Debt Service Requirement for Outstanding Senior Bonds of all Series and for the proposed Series for the current or any future Fiscal Year will not exceed (A) 5% of the Sales Taxes received

by the State for the most recently completed Fiscal Year if such Fiscal Year ends June 30, 1988 or June 30, 1989 or (B) if such Fiscal Year ends June 30, 1990, 5% of the Sales Taxes received by the State for the first six months of such Fiscal Year plus 5% of the State Portion received by the State for the second six months of such Fiscal Year or (C) if such Fiscal Year ends June 30, 1991 or thereafter, 5% of the State Portion received by the State for such Fiscal Year; and (iii) an amount at least equal to the Debt Service Reserve Fund Requirement, calculated immediately after the issuance of the proposed Series, will be on deposit in the Debt Service Reserve Fund within 24 months after the date of issuance of such proposed Series; and¹⁸

(e) such further documents and moneys as are required by the provisions of Article VIII or any Supplemental Indenture.

The delivery of Bonds of any Series shall be subject to the delivery to the Director, the Comptroller and the Treasurer of a Certificate signed by the Trustee, certifying (i) the Annual Debt Service or the Junior Annual Debt Service, as the case may be, for the Series of Bonds then being issued and the total Aggregate Debt Service and Junior Annual Debt Service on all then Outstanding Bonds payable on all future Payment Dates and (ii) the amount of principal of and interest and premium, if any, on all such Bonds payable on each Payment Date according to the tenor of such Bonds during the then current and each future Fiscal Year; provided that the amount of interest deemed payable on Variable Rate Bonds of any Series of Senior Bonds for any period shall be the Assumed Variable Amount with respect to such period and the amount of interest deemed payable on Variable Rate Bonds which are Junior Obligations shall be computed as provided in the definition of "Junior Annual Debt Service" in Section 101. Any such Certificate delivered with respect to Bonds of any Series to be issued, subsequent to June 20, 1993 shall also certify the Certified Annual Debt Service Requirement for the Fiscal Year for which the Certified Annual Debt Service Requirement has been most recently certified pursuant to Section 502(b), as revised to reflect the issuance of the Bonds to be so issued.

Section 207. Conditions Precedent to Delivery of any Series of Refunding Bonds. All Refunding Bonds of any Series shall be executed by the State and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the State or upon its order, but only following the receipt by the Trustee of:

(a) The documents referred to in Section 206; provided that in lieu of the Certificate described in Section 206(d) the State may deliver a Certificate, signed by the Director, certifying that the maximum Aggregate Debt Service for the then current or any future Fiscal Year shall not increase as a result of such issuance of Refunding Bonds;

(b) If a redemption of Bonds is to be effected, irrevocable instructions to the Trustee to give due notice of redemption of all the Bonds to be refunded and the redemption date or dates, if any, upon which such Bonds are to be redeemed;

(c) If a redemption of Bonds is to be effected and the redemption is scheduled to occur subsequent to the next succeeding 45 days, irrevocable instructions to the

¹⁸ As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

Trustee to give as provided in Article VI notice of redemption of such Bonds on a specified date prior to their redemption date;

(d) A certificate of an Independent Accountant stating the amount of either (i) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to pay the Bonds to be refunded at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, or (ii) Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof in Section 101, the principal of and interest on which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, which must be contemporaneously deposited with the Trustee, sufficient to pay when due the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date or dates or the date or dates of maturity thereof; and

(e) Such further documents and moneys as are required by the provisions of Article VIII or any Supplemental Indenture.

Section 208. Application of Proceeds of Bonds. The proceeds, except accrued interest (which shall be deposited with the Treasurer in the Retirement and Interest Fund), of any Series of Bonds (other than Refunding Bonds) shall be deposited with the State Treasurer in the Build Illinois Bond Fund and shall be applied in the manner required by Article IV hereof, the Supplemental Indenture creating such Series and the related Bond Sale Order.

Section 209. Credit Enhancements for Series of Bonds. The State reserves the right to provide one or more letters of credit, lines of credit or other credit or liquidity enhancement facilities to secure the payment of the principal of, premium, if any, and interest on one or more Series of Bonds, and in the event owners of such Series of Bonds have the right to require purchase thereof, to secure the payment of the purchase price of such Bonds upon the demand of the owners thereof. In connection with any such facilities, the State may execute and deliver an agreement setting forth the conditions upon which drawings may be made thereunder and the method by which the State will reimburse the provider together with interest thereon at such rate or rates as may be agreed upon by the State and such provider. Notwithstanding any other provision of this Indenture, any such obligation of the State to reimburse the issuer or provider of such letter of credit or facility shall be provided for in a Supplemental Indenture and shall constitute a Junior Obligation under this Indenture, and any and all amounts payable by the State to reimburse the issuer or provider of any such letter of credit or facility, together with interest thereon, shall for purposes of this Indenture be deemed to constitute the payment of principal of, premium, if any, and interest on Junior Obligations.

Section 210. Conditions Precedent to Delivery of Junior Obligations. (a) The provisions of this Section shall take effect on July 1, 2010. This Section shall be construed to affect only the Bondholders of a Series of Junior Obligations and any amendment of this Section requiring the consent of Bondholders pursuant to Section 902 shall require only the consent of the Bondholders of the required percentage of the principal amount of the then Outstanding Series of Junior Obligations.

(b) Bonds of any Series of Junior Obligations issued after July 1, 2010 shall be executed by the State and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the State or upon its order, but only following the receipt by the Trustee of:

(i) the Bond Sale Order required by Section 206(a);

(ii) the Counsel's Opinion required by Section 206(b);

(iii) an executed counterpart of the Supplemental Indenture referred to in Section 205, as required by Section 206(c);

(iv) with respect to any Series of Junior Obligations proposed to be issued, other than a Series proposed to be issued as Refunding Bonds, a Certificate signed by the Director certifying that, as of the time immediately following the issuance of such Series, for the then current or any future Fiscal Year, the greatest amount of the aggregate of (A) the Net Debt Service Requirement for Outstanding Senior Bonds and (B) the Junior Annual Debt Service, will not exceed 9.8% of the State Portion received by the State for the most recently completed Fiscal Year;

(v) with respect to any Series of Junior Obligations proposed to be issued as Refunding Bonds, (A) the documents referred to in Section 207 and (B) either (1) the Certificate of the Director referred to in Section 210(b)(iv) or (2) a Certificate of the Director, certifying that, as of the time immediately following the issuance of such Series, the greatest amount of the aggregate of (A) the Net Debt Service for Senior Bonds and (B) the Junior Annual Debt Service, for the then current or any future Fiscal Year, shall not increase as a result of the issuance of such Series; and

(vi) such further documents and moneys as are required by the provisions of Article VIII or any Supplemental Indenture.¹⁹

ARTICLE III

General Terms and Provisions of Bonds

Section 301. Title and Date of Bonds. Subject to the provisions of Section 303, each Bond of any Series shall be entitled "State of Illinois, Build Illinois Bond (Sales Tax Revenue Bond)" or such other title as may be specified in, and shall bear such additional letter or number Series designation as shall be determined in, the Supplemental Indenture and Bond Sale Order authorizing such Bonds. Each coupon Bond shall be dated as of the date specified in or determined in accordance with the Supplemental Indenture and Bond Sale Order authorizing such Bond and shall bear interest, from its date, payable in the case of installments due at and prior to maturity, in accordance with, and upon surrender of, the appurtenant interest coupons as they severally become due. Each registered Bond shall be dated as of the Payment Date next

¹⁹ As amended by Section 6.4 of the Forty Sixth Supplemental Indenture, dated June 1, 2010.

preceding the date of authentication and delivery thereof by the Trustee, except that (a) if such date of authentication and delivery shall be prior to the first Payment Date, said Bond shall be dated as of the date of the Bonds in coupon form, as specified in the Supplemental Indenture and Bond Sale Order authorizing such Bonds, or, if no coupon Bonds are issued, then as of the date specified in such Supplemental Indenture and Bond Sale Order, (b) if such date of authentication and delivery shall be a Payment Date, said Bond shall be dated as of such Payment Date, or (c) if interest due on said Bond shall not have been paid in full, then notwithstanding any of the foregoing provisions of this Section, said Bond shall be dated as of the date to which interest has been paid in full on said Bond. Each registered Bond shall bear interest from its date.

Section 302. Payment Dates. All Principal Installments and all interest on Bonds shall become due on the Payment Dates, in such years as shall be specified in the Supplemental Indenture and Bond Sale Order authorizing each Series.

Section 303. Legends. Each Bond shall state on the face thereof that the Bonds are not general obligations of the State and are not secured by the full faith and credit of the State and, except as specifically provided in the Build Illinois Bond Act, Public Act 84-111, approved July 25, 1985, as amended, and Sections 6z-9 and 8.25 of “An Act in relation to State finance,” approved June 10, 1919, as amended, the holders of the Bonds may not require the levy or imposition of any taxes or the application of other State revenues or funds to the payment of the Bonds. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the State prior to the authentication and delivery thereof.

Section 304. Place and Medium of Payment. Principal, interest and premium, if any, with respect to the Bonds shall be payable in lawful money of the United States of America. The principal of and premium, if any, on the coupon Bonds not registered as to principal shall be payable at the principal corporate trust office of the Trustee or, at the option of the holder, at the principal office of any other Paying Agent. Interest on the coupon Bonds shall be payable at the principal corporate trust office of the Trustee or, at the option of the holder, at the principal office of any other Paying Agent upon presentation and surrender of the coupons representing such interest. The principal of and premium, if any, on registered Bonds (including coupon Bonds registered as to principal) shall be payable at the principal corporate trust office of the Trustee. Interest on fully registered Bonds without coupons shall be paid by the Trustee by check or draft mailed to the registered owners at the addresses of such owners appearing on the registration books maintained by the State for such purpose at the principal corporate trust office of the Trustee; provided that any Supplemental Indenture may permit wire transfers to owners of specified amounts of Bonds requesting such transfers.

Section 305. Form and Denominations; Payment of Interest. The Bonds of each Series may be issued in the form of coupon Bonds, registerable as to principal only, in the denomination of \$5,000 each (except in the case of Appreciation Bonds or Appreciation and Income Bonds), or in the form of fully registered Bonds without coupons, in the denomination or denominations as shall be specified in the Supplemental Indenture and Bond Sale Order authorizing such Series. Coupon Bonds shall be in form initially payable to bearer with a single

coupon attached for each installment of interest thereon, but shall be registerable as to principal only in the manner provided in Section 307. Coupon Bonds shall be payable as to interest only according to the tenor and upon presentation and surrender of the coupons appertaining thereto as they severally become due. Interest on Bonds in fully registered form shall be payable to the registered owners at the addresses of such owners appearing on the registration books maintained by the State for such purpose at the principal corporate trust office of the Trustee.

Section 306. Interchangeability of Bonds.

(a) Coupon Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with all unmatured coupons attached, may, at the option of the holder thereof, and upon payment by such holder of any charges which the State or the Trustee may make as provided in Section 308, be exchanged for an equal aggregate principal amount of fully registered Bonds of the same Series, maturity and interest rate of any authorized denominations.

(b) Bonds issued in fully registered form, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney, may at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Trustee may make as provided in Section 308, be exchanged for an equal aggregate principal amount of coupon Bonds of the same Series, maturity and interest rate with appropriate coupons attached, or of Bonds issued in fully registered form of the same Series, maturity and interest rate, of any of the authorized denominations.

Section 307. Negotiability, Transfer and Registry.

(a) Title to all coupon Bonds, except when registered as to principal otherwise than to bearer, shall pass by delivery as negotiable instruments payable to bearer. Any coupon Bond may be registered as to principal on the registration books maintained by the State at the principal corporate trust office of the Trustee, upon presentation thereof at said office and the payment of a charge sufficient to reimburse the State or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such registration, and such registration shall be noted on such Bond. After said registration, no registration of transfer thereof shall be valid unless made on said books at the request of the registered owner in person or by his attorney duly authorized in writing, and similarly noted on such Bond, but such Bond may be discharged from registration by being in like manner transferred to bearer. Thereafter such Bond may again, from time to time, be registered or discharged from registration in the same manner. Registration of any coupon Bond as to principal, however, shall not affect the negotiability by delivery of the coupons appertaining to such Bond, but every such coupon shall continue to pass by delivery and shall remain payable to bearer.

(b) The transfer of each fully registered Bond and each coupon Bond which shall at the time be registered as to principal other than to bearer shall be registerable only upon the registration books maintained by the State for that purpose at the principal

corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for registration of transfer of any such registered Bond, the State shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee or, at the option of the transferee, a coupon Bond or Bonds, with appropriate coupons attached, of the same aggregate principal amount, Series, maturity and interest rate as the surrendered Bond.

(c) As to any coupon Bond registered as to principal other than to bearer the person in whose name the same shall be registered upon the registration books maintained by the State at the principal corporate trust office of the Trustee may be deemed and treated as the absolute owner thereof, whether such Bond shall be overdue or not, for all purposes, except for the purpose of receiving payment of coupons, and payment of, or on account of, the principal or Redemption Price, if any, of such Bond shall be made only to, or upon the order of, such registered owner thereof, but such registration may be changed as above provided, and neither the State nor any Fiduciary shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The State and any Fiduciary may deem and treat the bearer of any coupon as the absolute owner thereof, whether such coupon shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and may deem and treat the bearer of any coupon Bond which shall not at the time be registered as to principal other than to bearer, as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal or Redemption Price, if any, thereof and for all other purposes whatsoever except for the purpose of receiving payment of coupons, and neither the State nor any Fiduciary shall be affected by any notice to the contrary.

The State and each Fiduciary may deem and treat the person in whose name any fully registered Bond shall be registered upon the registration books maintained by the State at the principal corporate trust offices of the Trustee as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the State nor any Fiduciary shall be affected by any notice to the contrary.

Section 308. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or registering the transfer of Bonds is exercised, the State shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All registered Bonds surrendered for exchange or registration of transfer shall forthwith be cancelled by the Trustee. All coupon Bonds and the coupons thereto appertaining surrendered in any such exchanges or transfers may, in the Trustee's discretion, be retained in the possession of the Trustee for the purpose of reissuance upon subsequent exchanges, and the Trustee, prior to reissuance of any such coupon Bonds, shall

detach therefrom and cancel all matured coupons. For every such exchange or registration of transfer of Bonds, whether temporary or definitive, the State or the Trustee may, as a condition precedent to the privilege of making such exchange or registration of transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer. No charge shall be made in connection with such exchange or registration of transfer to pay the cost of preparing each new Bond issued upon such exchange or registration of transfer. Neither the State nor the Trustee shall be required to exchange or register the transfer of Bonds of any Series for a period of ten days next preceding a Payment Date on the Bonds of such Series or, in the case of any proposed redemption of Bonds for a period of ten days next preceding any selection of Bonds to be redeemed or thereafter until the first publication or mailing of any notice of redemption.

Section 309. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the State shall execute, and thereupon the Trustee shall authenticate and deliver a new Bond (with appropriate coupons attached in the case of coupon Bonds) of like Series, maturity, principal amount and interest rate as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and coupons, if any, destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the State and the Trustee that such Bond and attached coupons, if any, have been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the State and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the State and the Trustee may prescribe and paying such expenses as the State and Trustee may incur in connection therewith. All Bonds and coupons so surrendered to the Trustee shall be cancelled by it. Any such new Bond or coupons issued pursuant to this Section in substitution for a Bond or coupons alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the State, whether or not the Bond or coupons so alleged to be destroyed, stolen or lost constitute contractual obligations at any time enforceable by anyone, and shall be, to the same extent as such Bond or coupons alleged to be destroyed, stolen or lost and in place of which such Bond was issued, equally secured by the pledge contained in Section 204 with all other Bonds and coupons issued under this Indenture.

Section 310. Preparation of Definitive Bonds, Temporary Bonds.

(a) Definitive Bonds shall be lithographed, printed with steel engraved borders, or typewritten.²⁰ Until the definitive Bonds of any Series are prepared, the State may execute in the same manner as is provided in Section 312 and, upon the request of the State, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability of coupon Bonds and fully registered Bonds, one or more temporary Bonds (which may be registerable as to principal and interest) substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, but with or without coupons, in denominations of \$5,000 or any integral multiple thereof (except in the case of Appreciation Bonds or

²⁰ As amended by Section 5.3 of the Fourth Supplemental Indenture, dated January 1, 1987.

Appreciation and Income Bonds), and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds in coupon form shall be payable only upon the presentation and surrender of the coupons therefor attached thereto or, if no coupons for such interest are attached thereto, then only upon presentation of such temporary Bonds for notation thereon of the payment of such interest. The State at its own expense shall prepare and execute and, upon the surrender therefor of such temporary Bonds for exchange and cancellation with all unmatured coupons, if any, and all matured coupons, if any, for which no payment or only partial payment has been provided, attached, the Trustee shall authenticate and, without charge to the holder thereof, deliver in exchange therefor, at the principal corporate trust office of the Trustee definitive coupon Bonds, with appropriate coupons attached, or, at the option of the holder, definitive Bonds issued in fully registered form, of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

(b) If the State shall have authorized the issuance of temporary Bonds in more than one denomination, the holder of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series and maturity of any other authorized denomination or denominations, and thereupon the State shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 308, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such holder.

(c) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 311. Cancellation and Destruction of Bonds or Coupons. All Bonds paid or redeemed, either at or before maturity, together with all unmatured coupons, if any, thereto appertaining, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds and coupons, together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. All interest coupons shall be promptly cancelled upon their payment and delivered to the Trustee. Bonds and coupons so cancelled may at any time be cremated or otherwise destroyed by the Trustee, who shall execute a certificate of cremation or destruction in duplicate by the signature of one of its Authorized Officers describing the Bonds and coupons so cremated or otherwise destroyed, and one executed certificate shall be filed with the State and the other executed certificate shall be retained by the Trustee.

Section 312. Execution.

(a) The Bonds shall be executed in the name of the State by the manual or facsimile signature of the Governor and attested by the manual or facsimile signature of

the Secretary of State under the printed facsimile seal of the State and countersigned by the Treasurer or his duly authorized deputy by manual or facsimile signature.

(b) In case any officer whose signature, or a facsimile of whose signature, shall appear on any Bonds or coupons shall cease to hold such office before authentication and delivery of the Bonds by the Trustee, such Bonds shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such Bonds had not ceased to hold such office. Any Bond may be signed, sealed or attested on behalf of the State by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not have held such office.

(c) The coupons appertaining and to be attached to any Bonds shall bear and be executed by the facsimile signatures of the Governor, Secretary of State and Treasurer, and the State may from time to time adopt and use for that purpose the facsimile signatures of any persons who shall have been the Governor, Secretary of State and Treasurer at any time on or after the date of such Bond notwithstanding that at the date of such Bond such persons may not be the duly elected Governor, Secretary of State and Treasurer or that at the time when such Bonds shall be authenticated and delivered or such coupons shall be attached such persons may have ceased to hold such office.

Section 313. Authentication.

(a) The Bonds shall bear thereon a certificate of authentication executed manually by the Trustee. No Bond and no coupon thereto appertaining shall be entitled to any right or benefit under this Indenture or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the State shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered under this Indenture and that the holder thereof is entitled to the benefits hereof.

(b) Except as otherwise provided herein, the Trustee, before authenticating and delivering any coupon Bonds, shall cut off, cancel and destroy all matured coupons thereto attached, except matured coupons for which payment in full has not been provided. However, when such Bonds are issued in exchange for registered Bonds upon which interest is in default, as shown by the records of the Trustee, such Bonds shall have attached thereto all coupons maturing after the date to which interest has been paid in full, as shown by the records of the Trustee, and in case any interest installments shall have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

Section 314. Variable Rate Bonds and Section 209 Obligations.

Notwithstanding the provisions of this Article III, any Supplemental Indenture authorizing a Series of Variable Rate Bonds or instrument authorizing Section 209 Obligations may include additional or different provisions governing the subject matter of this Article III with respect to such Series or Section 209 Obligations.

ARTICLE IV

Build Illinois Bond Fund

Section 401. Deposits into Build Illinois Bond Fund. All proceeds (other than accrued interest) received by the State from the sale of Bonds (other than Refunding Bonds) shall be deposited in the Build Illinois Bond Fund. Bond proceeds constituting accrued interest shall be deposited in the Retirement and Interest Fund and proceeds of Refunding Bonds shall be deposited in such fund, account, escrow or trust or shall be applied as provided in the Supplemental Indenture authorizing such Refunding Bonds.

Section 402. Disbursements from Build Illinois Bond Fund. Moneys in the Build Illinois Bond Fund shall be expended only pursuant to appropriation by the General Assembly for the following purposes and upon the following conditions:

(a) Proceeds of Bonds required to be deposited into the Debt Service Fund, the Debt Service Reserve Fund or the General Reserve Fund or any Account or subaccount of the foregoing under the terms of this Indenture or any Supplemental Indenture shall be paid to the Trustee for deposit therein in accordance with the provisions of the Bond Sale Order authorizing such Bonds.

(b) Proceeds of Bonds required to be used to pay Costs of Issuance with respect to such Bonds pursuant to the Bond Sale Order authorizing such Bonds shall be paid as shall be directed in the Bond Sale Order for the purpose of paying such Costs of Issuance.

(c) All other proceeds of Bonds shall be obligated or expended for Projects with the written approval of the Governor in such amounts, at such times and for such purposes as contemplated in such appropriations and in Section 4 of Article 1 of the Act.

Earnings or interest income from investments in the Build Illinois Bond Fund shall be deposited by the Treasurer in the General Revenue Fund in the State Treasury or as otherwise provided by law,

ARTICLE V

Funds and Accounts

Section 501. Creation of Funds and Accounts. There are hereby created by the State and ordered established with the Trustee the following Funds and Accounts to be held and administered by the Trustee:

(a) The Revenue Fund;

(b) The Debt Service Fund and four separate Accounts therein to be known as the Capitalized Interest Account, the Interest Account, the Principal Account and the Variable Rate Account;

- (c) The Program Expense Fund;
- (d) The Debt Service Reserve Fund;
- (e) The Junior Obligation Debt Service Fund; and
- (f) The General Reserve Fund and a separate Account therein to be known as the Net Debt Service Account.

In addition, the State has established in the State Treasury and agrees to maintain in accordance with the requirements of the Act and the Finance Act, the Build Illinois Bond Fund, the Build Illinois Fund (including the Build Illinois Bond Account established therein), the Capital Projects Fund and the Retirement and Interest Fund.²¹

The Trustee shall, at the written request of the State, establish such additional Accounts within any of the Funds established under this Indenture and additional subaccounts within any of the Accounts established under this Indenture, as shall be specified in such written request, for the purpose of identifying more precisely the sources of payments into and disbursements from such Funds, Accounts and subaccounts; but the establishment of any such additional Accounts or subaccounts shall not alter or modify any of the requirements of this Indenture with respect to the deposit or use of moneys in any Fund or Account established hereunder.

Additional Accounts and subaccounts within such Funds and Accounts may also be created by any Supplemental Indenture; and any such Supplemental Indenture may provide that amounts on deposit in such Accounts and subaccounts shall be held by the Trustee for the sole and exclusive benefit of such Bonds as may be specifically designated in such Supplemental Indenture.

Any moneys and securities held in the Revenue Fund or any other Fund, Account or subaccount created pursuant to this Section shall be held in trust by the Trustee, as provided in this Indenture or such Supplemental Indenture, and shall be applied, used and withdrawn only for the purposes authorized in this Indenture or such Supplemental Indenture. All moneys and securities held by the State in the Build Illinois Bond Account and in the McCormick Place Account of the Build Illinois Fund, in the Reform Fund and in the Retirement and Interest Fund shall be accounted for and held separate and apart from all other moneys and securities of the State, shall be applied, used and withdrawn solely for the purposes authorized in the Act and the Finance Act and, until so applied, used and withdrawn, shall be held in trust by the State for such purposes.²² All other moneys and securities held by the State in the Build Illinois Fund may be applied, used and withdrawn by the State for any lawful purpose of the State, free of any pledge in favor of the Trustee and the owners of the Bonds.

²¹ As amended by Section 5.2 of the Forty Fifth Supplemental Indenture, dated December 1, 2009 (previously amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988). Sections 5.1 and 5.3 of the Forty Fifth Supplemental Indenture provide explanation of the Capital Projects Fund and the Illinois Jobs Now capital program.

²² As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

Section 502. Deposit of Revenues.

(a) On the last day of the month in which Bonds are initially issued under this Indenture, all amounts held in the Retirement and Interest Fund shall be transferred by the State to the Trustee for deposit in the Revenue Fund. All Revenues shall be promptly deposited by the State, in the Build Illinois Fund, credited to the Build Illinois Bond Account, transferred to the Retirement and Interest Fund and paid to the Trustee for deposit in the Revenue Fund, all as provided in the Act and Sections 6z-9 and 8.25 of the Finance Act.

(b) The State has heretofore appropriated for its Fiscal Year ending June 30, 1986 the sum of \$15,000,000 to provide for the repayment of Bonds and required deposits into Funds and Accounts under this Indenture. Pursuant to Section 11 of Article 1 of the Act, the State covenants that the Governor shall include in each annual State Budget and the General Assembly shall annually appropriate (i) for each Fiscal Year commencing with the Fiscal Year ending June 30, 1987 and ending with the Fiscal Year ending June 30, 1993, an amount equal to the Required Bond Transfer from the Retirement and Interest Fund as follows:

<u>Fiscal Year</u>	<u>Required Bond Transfer</u>
1987	\$25,000,000
1988	\$40,000,000
1989	\$54,000,000
1990	\$85,400,000
1991	\$133,600,000
1992	\$164,400,000
1993	\$188,900,000; and ²³

(ii) for the Fiscal Year ending June 30, 1994 and each Fiscal Year thereafter, the Required Bond Transfer from the Retirement and Interest Fund in an amount equal to the greater of the Certified Annual Debt Service Requirement for such Fiscal Year or the Tax Act Amount for such Fiscal Year. For purposes of implementing such appropriations and the transfers and payments required to be made pursuant to Section 502(c) for Fiscal Year 1994 and each Fiscal Year thereafter, the Trustee shall deliver a Certificate to the Director, the Comptroller and the Treasurer on or before June 20, 1993 and on or before each June 20 thereafter so long as Bonds remain Outstanding, certifying the Certified Annual Debt Service Requirement for the next succeeding Fiscal Year. The Required Bond Transfer for Fiscal Year 1994 and for each Fiscal Year thereafter shall be equal to the Certified Annual Debt Service Requirement as so certified in such Certificate unless the Tax Act Amount for such Fiscal Year shall be greater than such Certified Annual Debt Service Requirement, in which case the Required Bond Transfer for such Fiscal Year shall be equal to such Tax Act Amount; provided, however, that if Bonds are issued during any such Fiscal Year the Certified Annual Debt Service Requirement for such

²³ As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988, and by Section 5.1 of the Eleventh Supplemental Indenture, dated August 15, 1989.

Fiscal Year shall be increased to reflect the issuance of such Bonds to the extent such issuance was not reflected in the Certified Annual Debt Service Requirement previously certified for such Fiscal Year. The State covenants and agrees that in the event an appropriation equal to the Required Bond Transfer is not made for any Fiscal Year as required under this Section and Section 11 of Article 1 of the Act, the Act shall constitute an irrevocable and continuing appropriation of such Required Bond Transfer and the continuing, irrevocable authority for and direction to the Treasurer and the Comptroller to make the necessary transfers and deposits, as directed by the Governor, and to make the payments specified in Sections 6z-9 and 8.25 of the Finance Act and as provided for in this Section.

(c) Pursuant to Section 13 of Article 1 of the Act, the State covenants that the Treasurer and the Comptroller shall, on the last day of each month, transfer from the Build Illinois Bond Account to the Retirement and Interest Fund and pay from such Fund to the Trustee for deposit in the Revenue Fund an amount equal to the greater of (i) 1/12th of 150% of the Certified Annual Debt Service Requirement or (ii) the Tax Act Amount deposited in the Build Illinois Bond Fund during such month, plus any cumulative deficiency in such transfers and payments for prior months; provided, however, that such transfers shall commence in October, 1985 and such amounts for Fiscal Year 1986 shall equal one-ninth of 150% of the Required Bond Transfer for Fiscal Year 1986; and, further provided, that such payments from the Retirement and Interest Fund to the Trustee shall commence on the last day of the month in which Bonds are initially issued under this Indenture and the first such payment shall be equal to the entire amount then on deposit in such Fund; and, further provided, that the aggregate amount of such transfers and payments for any Fiscal Year shall not exceed the Required Bond Transfer for such Fiscal Year.²⁴ This covenant is satisfied for all purposes of this Indenture if the Trustee receives the required monthly payment on or prior to the first day of the next month.²⁵

Section 503. Disbursement from Revenue Fund. The moneys in the Revenue Fund shall be disbursed and applied by the Trustee, as required, to make the following deposits on the dates and in the amounts provided:

(a) On the first day of each month, commencing in the Fiscal Year ending June 30, 1986, on November 1, 1985 or on the first day of the month following the month in which Bonds are initially issued under this Indenture, whichever is later, and commencing on August 1 of each Fiscal Year thereafter the Trustee shall make the following deposits in the manner and order of priority set forth --

First: The Trustee shall first deposit into the Debt Service Fund, without priority one over the other, (i) into the Interest Account an amount equal to (x) the product of (A) the Monthly Deposit Percentage multiplied

²⁴ As amended by Section 5.1 of the Twenty Second Supplemental Indenture, dated September 15, 1994.

²⁵ As amended by Section 5.4 of the Twenty Fifth Supplemental Indenture, dated December 15, 1997.

by (B) the amount of interest included in the Annual Debt Service for each Series of Fixed Rate Senior Bonds for such Fiscal Year, less (C) any amounts payable from the Capitalized Interest Account and attributable to such Series and such Fiscal Year, plus (y) any deficiency in amounts required to be so deposited in any prior month, and (ii) into the Principal Account an amount equal to (x) the product of (A) the Monthly Deposit Percentage multiplied by (B) the amount of the Principal Installments included in the Annual Debt Service for each Series of Fixed Rate Senior Bonds for such Fiscal Year, plus any deficiency in amounts required to be so deposited in any prior month, and (iii) into the Variable Rate Account an amount equal to (x) the product of (A) the Monthly Deposit Percentage multiplied by (B) the amount of interest and Principal Installments included in the Annual Debt Service for each Series of Variable Rate Senior Bonds for such Fiscal Year, less (C) any amounts of Capitalized Interest on deposit under the Supplemental Indenture relating to each such Series and attributable to such Fiscal Year, plus (y) any deficiency in amounts required to be so deposited in any prior month, such amount to be credited to the Variable Rate Interest Subaccounts and the Variable Rate Principal Subaccounts established with respect to such Outstanding Variable Rate Senior Bonds pursuant to the respective Supplemental Indentures authorizing such Variable Rate Senior Bonds; provided, however, that such monthly deposits under this Paragraph First shall continue in each Fiscal Year only until such time as the aggregate amount deposited into the Debt Service Fund during such Fiscal Year is at least equal to the Aggregate Debt Service for such Fiscal Year.

Second: The Trustee shall next deposit into the Program Expense Fund an amount equal to the amount, if any, required for Program Expense as set forth in any Certificates of the Director from time to time filed with the Trustee.

Third: The Trustee shall next deposit into the Debt Service Reserve Fund the amount, if any, necessary to increase the amount on deposit therein to an amount equal to the Debt Service Reserve Fund Requirement.

Fourth: The Trustee shall next deposit into the Junior Obligation Debt Service Fund an amount, if any, equal to the amount required by any Supplemental Indentures or other instruments authorizing the issuance of Junior Obligations to be deposited therein on such date for application to any Accounts within the Junior Obligation Debt Service Fund in the amounts, order and priority specified by a Certificate of the State filed with the Trustee.

Fifth: The Trustee shall next deposit into the General Reserve Fund all remaining amounts.

(b) If at the time deposits are required to be made under paragraph (a) of this Section the moneys held in the Revenue Fund are insufficient to make any required deposit, the deposit shall be made to the extent moneys are available therefor and any deficiencies shall be made up on the next applicable deposit date after required deposits into all other Funds enjoying a higher priority shall have been made in full.

(c) On any date required by the provisions of a Supplemental Indenture creating a Series of Variable Rate Senior Bonds, the Trustee shall segregate within the Variable Rate Account and credit to such Variable Rate Interest Subaccounts and Variable Rate Principal Subaccounts therein as may have been created for the benefit of such Series such amounts as may be required to be so credited under the provisions of such Supplemental Indenture to pay the principal of and interest on such Variable Rate Senior Bonds.

Section 504. Use of Funds. The moneys on deposit in the Funds and Accounts listed in Section 501 shall be used for the purposes and uses specified as follows:

(a) The moneys in the Interest Account shall be used only for the payment of the interest on Fixed Rate Senior Bonds. The moneys in the Principal Account shall be used only for the payment of Principal Installments on Fixed Rate Senior Bonds. Moneys on deposit in the Variable Rate Account and which have been credited to Variable Rate Interest Subaccounts and Variable Rate Principal Subaccounts therein as may have been created for the benefit of a Series of Variable Rate Senior Bonds shall be used for the purposes specified in the Supplemental Indenture creating such Series. Moneys in the Capitalized Interest Account attributable to a Series of Senior Bonds shall be transferred to the Interest Account or the Variable Rate Account on the business day of the Trustee immediately preceding each Interest Payment Date for such Series and shall be applied to the payment of interest on Bonds of such Series due on such Interest Payment Date. The Trustee shall transfer to the Paying Agents the necessary moneys to pay all such interest and Principal Installments becoming due on each Payment Date prior to such Payment Date and the Paying Agents shall apply such amounts to the payment of such interest and Principal Installments on and after the due dates thereof. Amounts accumulated in the Principal Account or a Variable Rate Principal Subaccount or other amounts delivered to the Trustee for such purpose may, and if so directed by the State shall, be applied by the Trustee, on or prior to the 45th day preceding the Payment Date of a Sinking Fund Payment, to the purchase of Senior Bonds of the Series and maturity for which such Sinking Fund Payment is to be made in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of Bonds payable from such Sinking Fund Payment on such Payment Date. The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond purchased shall not exceed the sinking fund Redemption Price of such Bond applicable upon its redemption on such Payment Date. The Trustee shall also provide for the payment out of the Interest Account or a Variable Rate Interest Subaccount of the amount of accrued interest payable on any Senior Bond purchased from moneys in the Principal Account or a Variable Rate Principal Account. Bonds may be purchased from any person including the State and any Fiduciary. Any Bond so purchased shall be cancelled by the Trustee and the applicable sinking fund Redemption Price of such Bond

shall be credited against the Sinking Fund Payment for such Bond due on the next ensuing Payment Date.

(b) The moneys in the Program Expense Fund shall be used for the payment of Program Expenses in such amounts, at such times and to such persons as the Certificates of the Director delivered pursuant to Section 503(a), Second, shall specify.

(c) The moneys in the Debt Service Reserve Fund shall be used for the payment of the interest and Principal Installments (other than Subordinated Interest and Subordinated Principal Installments) on Senior Bonds, whenever and to the extent moneys in the Interest Account, the Principal Account or the Variable Rate Account, respectively, are insufficient therefor. At the direction of the State expressed in a Certificate of the Director filed with the Trustee, moneys in the Debt Service Reserve Fund may be withdrawn and deposited in trust to pay or provide for the payment of Senior Bonds of any Series pursuant to Section 1201; provided, however, that immediately after such withdrawal the amount on deposit in the Debt Service Reserve Fund equals or exceeds the Debt Service Reserve Fund Requirement. At the direction of the State expressed in a Certificate of the Director filed with the Trustee, moneys in the Debt Service Reserve Fund may be withdrawn from the Debt Service Reserve Fund and deposited into the General Reserve Fund; provided, however, that immediately after such withdrawal the amount on deposit in the Debt Service Reserve Fund equals or exceeds the Debt Service Reserve Fund Requirement.²⁶

(d) The moneys in the Junior Obligation Debt Service Fund shall be transferred by the Trustee to the appropriate trustees or paying agents under the Supplemental Indenture or other instrument authorizing the issuance of Junior Obligations for the purpose of paying such amounts as may be required to be paid by such Supplemental Indenture or other instrument.

(e) The moneys in the General Reserve Fund shall be used for the payment of the interest and Principal Installments on Bonds whenever and to the extent moneys in the Interest Account, the Principal Account, the Variable Rate Account, the Debt Service Reserve Fund, or the Junior Obligation Debt Service Fund, respectively, are insufficient therefor. Moneys shall also be transferred at any time to any of the foregoing Accounts or Funds to cure any deficiency in the amounts required to be on deposit therein, such transfers to be made in the order of priority specified in Section 503(a). At the direction of the State expressed in a Certificate signed by the Director and filed with the Trustee, moneys in the General Reserve Fund may be withdrawn and deposited in trust to purchase or redeem or pay or otherwise provide for the payment of Bonds of any Series pursuant to Section 1201 or of Section 209 Obligations provided any purchase price does not exceed par or the next Redemption Price. At the direction of the State expressed in a Certificate signed by the Director and filed with the Trustee, moneys, Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof in the General Reserve Fund shall be set aside and held in trust, together with the interest thereon, in the Net Debt Service Account for the sole and exclusive purpose of paying the

²⁶ As amended by Section 6.2 of the Forty Sixth Supplemental Indenture, dated June 1, 2010.

principal of, premium, if any, and interest on Senior Bonds. Notwithstanding the provisions of this Indenture, the State reserves the right, if permitted by law, to direct the Trustee in writing at any time to pay to the State or to such fund, account or official of the State as may be specified in such direction, on any one or more dates during the period commencing on June 15 of a Fiscal Year and ending on June 30 of that Fiscal Year,²⁷ for any purpose of the State now or hereafter authorized by law all or any part of the moneys on deposit in the General Reserve Fund; provided, however, that no such payment shall include any amounts set aside in trust in the Net Debt Service Account or any other moneys which have been committed, reserved or restricted pursuant to any Supplemental Indenture or instrument authorizing Section 209 Obligations; and, further provided that no such payment may be made at any time during the existence and continuation of an Event of Default.

(f) If at any time the aggregate amount of all moneys held in all Funds and Accounts established and created under and pursuant to this Indenture shall be sufficient, as certified by the Director, to purchase or redeem or pay or otherwise provide for the payment of all Outstanding Bonds of all Series pursuant to Section 1201 and all Outstanding Section 209 Obligations, such amount shall be set aside in trust for such purposes pursuant to Section 1201 and shall not be used thereafter for any other purpose.

(g) The moneys in the Build Illinois Bond Fund shall be used by the State in accordance with Article IV hereof.

(h) The moneys credited to the Build Illinois Bond Account of the Build Illinois Fund shall be used by the State only to make the transfers to the Retirement and Interest Fund in the amounts and at the times required by the Act and the Finance Act until such time as each required transfer has been made in full.

(i) The moneys in the Retirement and Interest Fund shall be used by the State only to make the payments to the Trustee in the amounts and at the times specified in the Act and the Finance Act.

Section 505. General Regulations as to Investments.²⁸

(a) All moneys held in any Fund or Account established and created under this Indenture shall be invested in Qualified Investments at the direction of the Director.

(b) Qualified Investments purchased as an investment of moneys in any Fund or Account established and created under this Indenture, together with the income derived therefrom, shall be deemed at all times to be a part of such Fund or Account until disbursed as provided in Section 504 or transferred to another Fund or Account as

²⁷ As amended by Section 6.3 of the Forty Sixth Supplemental Indenture, dated June 1, 2010 (previously amended by Section 5.3 of the Sixteenth Supplemental Indenture, dated October 15, 1991).

²⁸ The Fourth Supplemental Indenture states: "Section 505 of the Master Indenture (relating to investments) is hereby amended as provided in the Arbitrage Agreement."

provided herein. Qualified Investments so purchased shall be sold at the best price obtainable whenever it shall be necessary so to do in order to provide moneys to make any withdrawal or payment from such Fund or Account. For the purposes of any such investment, a Qualified Investment shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such Qualified Investment. Moneys held in the Debt Service Reserve Fund shall be invested in Qualified Investments the average aggregate maturity (including irrevocably fixed redemption dates) of which shall not at any time be more than ten years. Qualified Investments in which moneys held in any other Fund or Account have been invested shall mature not later than the respective dates as estimated by the Trustee based on information provided by the State, when the moneys held for the credit of any Fund or Account will be needed.

(c) In computing the amount in any Fund or Account, investments shall be valued at amortized cost.

(d) For purposes of this Indenture amortized cost means par, if the obligation was purchased at par, or, when used with respect to an obligation purchased at a premium above or a discount below par, means the amount as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated for each interest payment date after such purchase from the purchase price in the case of an obligation purchased at a premium or adding the amount thus calculated for each interest payment date after such purchase to the purchase price in the case of an obligation purchased at a discount. Valuation shall be made on each June 15 and December 15, or if such day is not a business day of the Trustee then on the business day of the Trustee immediately preceding such June 15 or December 15, and at any other time required hereunder, under any Supplemental Indenture, or under any Certificate of the Director filed with the Trustee and on any particular date shall not include the amount of interest then earned or accrued to such date on any investment.

(e) Moneys held in the General Reserve Fund or any Account therein shall be allocated among the Series of Bonds Outstanding in accordance with the provisions of the Code and the Regulations on such basis as the Director shall determine and shall be invested in accordance with such yield restrictions or other limitations as may be specified in any Certificate of the Director filed with the Trustee.

(f) Investment income derived from moneys on deposit in the Debt Service Fund and remaining on deposit therein on any June 20 shall be transferred to the other Funds established under this Indenture in the order of priority specified in Section 503(a) to the extent such investment income, together with other moneys on deposit in the Debt Service Fund, exceeds the greater of (i) one year's earnings on the Debt Service Fund or (ii) one-twelfth of the Aggregate Debt Service. Investment income derived from moneys on deposit in the Program Expense Fund and on deposit therein on any June 20 shall be transferred to other Funds established under this Indenture in the order of priority specified in Section 503(a). Investment income derived from moneys on deposit in the Debt Service Reserve Fund and on deposit therein on any June 20 shall be transferred to

other Funds established under this Indenture in the order of priority specified in Section 503(a) to the extent such investment income, together with other moneys on deposit therein, exceeds the Debt Service Reserve Fund Requirement. Investment income derived from moneys on deposit in the Junior Obligation Debt. Service Fund shall be held and transferred as provided in the Supplemental Indentures or other instruments authorizing Junior Obligations. Investment income derived from moneys on deposit in the General Reserve Fund and not required to be transferred to other Funds shall be maintained therein except as otherwise provided in any Supplemental Indenture or in any Certificate of the Director delivered to the Trustee.

(g) The provisions of Section 505(a) through (f) shall be subject to and controlled by any different or additional provisions relating to investments contained in any Supplemental Indenture authorizing Bonds of any Series or in any Certificate of the State delivered in connection with the issuance of Bonds of any Series.

ARTICLE VI

Redemption of Bonds

Section 601. Privilege of Redemption and Redemption Price. Bonds of any Series subject to redemption prior to maturity pursuant to the Supplemental Indenture authorizing such Series shall be redeemable, upon notice as provided in this Article, at such times, at such Redemption Prices plus interest accrued and unpaid to the redemption date and upon such terms as may be specified in such Bonds, in this Indenture and in the Supplemental Indenture authorizing such Series. Any Series of Bonds with respect to which Subordinated Interest or Subordinated Principal Installments are payable shall be subject to redemption as may be provided in the Supplemental Indenture authorizing such Series.

Section 602. Redemption at the Election or Direction of the State. In the case of any redemption of Bonds other than as provided in Section 603, the State shall give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series to be redeemed, of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which redemption dates, Series, maturities and principal amounts thereof to be redeemed shall be determined by the State in its sole discretion, subject to any limitations with respect thereto contained in this Indenture and any Supplemental Indenture) and of any moneys to be applied to the payment of the Redemption Price. Such notice shall be given at least 45 days prior to the redemption date or such shorter time as shall be acceptable to the Trustee. Upon the giving of such notice, the State, if it holds the amounts to be applied to the payment of the Redemption Price plus interest accrued and unpaid to the redemption date, shall pay to the Trustee or to the appropriate Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof plus interest accrued and unpaid to the redemption date, all of the Bonds or portions thereof to be redeemed. The State shall promptly notify the Trustee in writing of all such payments made by the State to a Paying Agent.

Section 603. Redemption Otherwise Than at State's Election or Direction. Whenever by the terms of this Indenture or the Supplemental Indenture authorizing any Series of

Bonds the Trustee is required to redeem Bonds otherwise than at the election or direction of the State, and subject to and in accordance with the terms of this Article and, to the extent applicable, Article V, the Trustee shall select the redemption date of the Bonds to be redeemed unless otherwise specified in the Supplemental Indenture authorizing such Bonds, and give notice of redemption in the manner prescribed in Section 605.

Section 604. Selection of Bonds to be Redeemed by Lot. In the event of redemption of less than all the Outstanding Bonds of like Series and maturity, the Trustee shall assign to each such Outstanding fully registered Bond a distinctive number for each \$5,000 of the principal amount of such Bond and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers of all such coupon Bonds of the denomination of \$5,000 then Outstanding and the numbers assigned to such fully registered Bonds as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the coupon Bonds of the denomination of \$5,000 bearing the numbers so selected and the fully registered Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such fully registered Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. For the purpose of this Section, Bonds which have been selected by lot for redemption shall not thereafter be deemed Outstanding Bonds. Provisions for redemption by lot of Appreciation Bonds or Appreciation and Income Bonds shall be set forth in applicable Supplemental Indentures.

Section 605. Notice of Redemption. When the Trustee shall receive notice from the State of its election or direction to redeem Bonds pursuant to Section 602 and when redemption of Bonds is required pursuant to Section 603, the Trustee shall (but only if the funds then, or committed to be, on deposit with the Trustee and available for such purpose, shall be sufficient to pay the Redemption Price in full) give notice in the name of the State of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed and, in the case of fully registered Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of fully registered Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue and be payable. Such notice shall be given by publication once a week for at least two successive weeks in the Authorized Newspapers, the first such publication to be not less than 30 days nor more than 45 days prior to the redemption date; provided, however, that if all Bonds to be redeemed are fully registered Bonds, such publication shall not be required. The Trustee shall also mail a copy of such official redemption notice by registered or certified mail, not less than 30 days before the redemption date to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books maintained by the State at the principal corporate trust office of the Trustee, and to the holder of any coupon Bond who shall have filed with the Trustee an address

for notices, but failure so to mail any such notice to any Bondholder shall not affect the validity of the proceedings for the redemption of Bonds.²⁹

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

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; and (iv) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each such further notice shall be published one time in the Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

(d) Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.³⁰

Section 606. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 605, the Bonds or portions thereof called for redemption shall become due and payable on the redemption date so designated at the Redemption Price therein stated, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, together with, in the case of Bonds registered otherwise than to bearer, a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, and, in the case of coupon Bonds, all appurtenant coupons maturing subsequent to the redemption date, such Bonds, or portions

²⁹ As amended by Section 5.3 of the Fourth Supplemental Indenture, dated January 1, 1987.

³⁰ As amended by Section 5.3 of the Fourth Supplemental Indenture, dated January 1, 1987.

thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date not represented by coupons for matured interest installments. All interest installments represented by coupons which shall have matured on or prior to the redemption date shall continue to be payable to the bearers of such coupons. If there shall be drawn for redemption less than all of a fully registered Bond, the State shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the fully registered Bond so surrendered at the option of the owner thereof, either coupon Bonds or registered Bonds of like Series and maturity in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by any Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable, and the coupons for interest appertaining thereto maturing subsequent to the redemption date shall be void. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE VII

Covenants of the State

Section 701. Equality of Security. All Bonds, regardless of Series, date of issuance or incurrence and date of sale, shall be secured by the pledge contained in Section 204; and the security so pledged shall not be used for any other purpose except as expressly permitted by the terms of this Indenture, so long as any Bonds remain Outstanding and unpaid.

Section 702. Equality of Bonds. All Senior Bonds authorized hereunder shall be on a parity and rank equally without preference, priority or distinction over any other thereof as to security or right of payment, regardless of the time or times of their issue, and the provisions, covenants and agreements set forth herein to be performed by and on behalf of the State with respect to Senior Bonds shall be for the equal benefit, protection and security of the owners of any and all Senior Bonds. Junior Obligations authorized hereunder shall be payable only from amounts in the Junior Obligation Debt Service Fund and shall be on such parity and rank with respect to other Junior Obligations as may be specified in the Supplemental Indentures or other instruments authorizing such Junior Obligations. The State covenants that it will not issue any other obligations, payable from the Revenues or, except as otherwise provided in Section 705, any other moneys pledged herein, nor voluntarily create or cause or permit to be created any debt, lien, pledge or assignment, having priority over or being on a parity with, the Bonds.

Section 703. Punctual Payment. The State covenants that it will duly and punctually pay or cause to be paid the principal of, premium, if any, and interest on, all Bonds in strict conformity with the terms of such Bonds and of this Indenture, the Supplemental Indentures creating the Bonds of each Series and the instruments creating Section 209 Obligations, and that it will faithfully observe and perform all the conditions, covenants and

requirements of this Indenture, each such Supplemental Indenture and instrument and of the Bonds issued or incurred thereunder.

Section 704. State Covenant. Subject to Section 712, the State hereby irrevocably covenants and agrees with the Bondholders that it will not limit or alter (a) the basis on which the taxes and revenues of the State are required to be collected and deposited in the Build Illinois Fund pursuant to Section 6z-9 of the Finance Act and to be credited to and transferred from the Build Illinois Bond Account pursuant to Section 8.25 of the Finance Act, (b) the basis on which transfers of amounts credited to the Build Illinois Bond Account are required to be made to the Retirement and Interest Fund, (c) the purposes of the Retirement and Interest Fund, or (d) the provisions of Sections 11 through 14 of Section 1 of the Act or the provisions of Sections 6z-9 or 8.25 of the Finance Act so as to impair, in any of the foregoing respects, the obligations of contract incurred by the State in favor of holders of Bonds issued under this Indenture.

Section 705. Against Pledge of Revenues. Subject to Section 712, the State shall not hereafter issue or authorize the issuance of any bonds, notes, or other evidences of indebtedness secured by the pledge contained in Section 204, other than the Bonds, and shall not create or cause to be created any pledge, lien or charge on Revenues or on any other amounts pledged for the benefit of owners of Bonds under this Indenture, other than the pledge contained in Section 204; provided, however, that neither this Section nor any other provisions of this Indenture shall prevent the State from (a) issuing or authorizing bonds, notes or other evidences of indebtedness payable out of, or secured by a pledge of, Revenues to be derived on and after such date as the pledge contained in Section 204 shall be discharged and satisfied as provided in Section 1201, or (b) from issuing or authorizing bonds, notes or other evidences of indebtedness which are payable out of, or secured by, the pledge of amounts which may be withdrawn from the General Reserve Fund so long as such pledge is expressly junior and subordinate to the pledge contained in Section 204.

Section 706. Offices for Servicing Bonds. The State shall at all times maintain one or more agencies in the City of Chicago, Illinois, or the City of New York, New York, where Bonds may be presented for payment, where Bonds of any Series may be presented for registration, registration of transfer or exchange to the extent and in the manner specified in the Supplemental Indenture creating such Series and where notices, demands and other documents may be served upon the State in respect of the Bonds of any Series or of this Indenture. The State hereby appoints the Trustee an agent for the registration, registration of transfer or exchange of Bonds and for the service upon the State of such notices, demands and other documents. The State hereby appoints, and authorizes the Trustee to appoint as provided in Section 1102, each Paying Agent as an agent to maintain such agencies for the payment or redemption of Bonds of any Series.

Section 707. Power to Issue Bonds and Make Pledge Contained in Section 204. The State is duly authorized under all applicable laws to issue the Bonds, to execute, deliver and perform its obligations under this Indenture and to make the pledge contained in Section 204 in the manner and to the extent provided. Except as otherwise stated in Section 705, the Revenues and moneys and securities so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge contained

in Section 204 and all corporate or other action on the part of the State to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the State in accordance with their terms and the terms of this Indenture. The State shall at all times, to the extent permitted by law, defend, preserve and protect the pledge contained in Section 204 and all the rights of the owners of the Bonds under this Indenture against all claims and demands.

Section 708. Further Assurances. The State covenants that it will make or adopt and execute, or cause to be made, adopted and executed, any and all such further ordinances, acts, deeds, conveyances, assignments or assurances as may be reasonably required for effectuating the intention of this Indenture, and for the better assuring and confirming unto the owners of the Bonds of the rights and benefits provided in this Indenture or any Supplemental Indenture.

Section 709. Prompt Expenditure of Bond Proceeds. The State covenants that upon the receipt of the proceeds of any Series issued to pay the costs of Projects, the State will with reasonable dispatch proceed with the construction, installation, acquisition and carrying out of such Projects and that it will expeditiously complete such construction, installation, acquisition, and carrying out in conformity with law and all requirements of all governmental agencies having jurisdiction thereover.

Section 710. Tax Covenants.

(a) The State covenants not to take any action or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, would cause interest on Bonds issued on a tax-exempt basis to be includable in gross income of the owners thereof for federal income tax purposes.

(b) The State further covenants that it will not take any action or omit to take any action with respect to the investment of the proceeds of any Bonds or with respect to Revenues which would result in causing Bonds issued on a tax-exempt basis to constitute “arbitrage bonds” within the meaning of such term as defined in the Code.

(c) In furtherance of the foregoing, the Trustee shall, at the request of the State set forth in a Certificate, (i) cause the moneys on deposit in any Fund, Account or subaccount to be invested only in such investments or subject to such yield restrictions as shall be set forth in such Certificate and (ii) subject to any restrictions set forth in any Supplemental Indenture with respect to the use or application of moneys on deposit in any Fund, Account or subaccount transfer the moneys on deposit in any Fund, Account or subaccount to such other Fund, Account or subaccount as shall be directed in such Certificate.

Section 711. Variable Debt Service Limitation. Unless otherwise provided in this Indenture, the amount permitted under the terms of any Bond Sale Order and Supplemental Indenture to be credited against the amount of interest on Variable Rate Bonds required to be included in any computation, including, but not limited to, any computation of Assumed Variable Amount, Annual Debt Service, Net Debt Service Requirement, Certified Annual Debt

Service Requirement, Junior Annual Debt Service and Required Bond Transfer, shall not exceed in the aggregate the sum of (i) amounts on deposit in the Variable Rate Interest Subaccount (or a similar account with respect to Junior Obligations) under the applicable Supplemental Indenture and required to be used to pay such interest; and (ii) amounts required to be deposited in the applicable Variable Rate Interest Subaccount (or a similar account with respect to Junior Obligations) pursuant to agreements with Qualified Financial Institutions for the purpose of limiting interest rate risk; and (iii) beginning in Fiscal Year 1994, and while the amount on deposit in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Fund Requirement, additional amounts not to exceed 50% of the maximum rate of interest permitted under the applicable Supplemental Indenture.

Section 712. Reserved Rights of State. The State reserves the right (a) to transfer from the McCormick Place Account in the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund all tax revenues and other moneys, from whatever source, which by existing law are required to be so transferred and (b) to (i) issue or authorize the issuance of additional debt by or for the benefit of the Metropolitan Fair and Exposition Authority payable from tax revenues and other moneys, from whatever source, which by law now or hereafter enacted are required to be transferred from the McCormick Place Account in the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund and (ii) increase by law hereafter enacted the amounts of tax revenues and other moneys, from whatever source, required to be transferred from the McCormick Place Account in the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund for the payment of such additional debt; provided, however, that in no event shall the aggregate amount of Sales Taxes required to be so transferred as permitted under this Section exceed 1.75% of the Sales Taxes (effective January 1, 1990, 1.75% of the State Portion).³¹

ARTICLE VIII

Supplemental Indentures

Section 801. Supplemental Indentures Effective Upon Filing with the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be authorized by a Bond Sale Order, which, upon the filing with the Trustee of a copy thereof and the execution and delivery of such Supplemental Indenture by the State and the Trustee, shall be fully effective in accordance with its terms:

(a) To close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the issuance of Bonds or other evidences of indebtedness;

(b) To add to the covenants and agreements of the State in this Indenture other covenants and agreements to be observed by the State which are not contrary to or inconsistent with this Indenture as theretofore in effect;

³¹ As amended by Section 5.1 of the Eighth Supplemental Indenture, dated October 15, 1988.

(c) To add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the State which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the State by the terms of this Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the State contained in this Indenture;

(e) To create a Series of Bonds and in connection therewith, to specify and determine the matters and things referred to in Section 205 and also any other matters and things relative to such Bonds 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 first issuance of such Bonds;

(f) To confirm, as further assurance, the pledge under Section 204, and the subjection to any Lien, claim or pledge created or to be created by this Indenture;

(g) To modify any of the provisions of this Indenture in any respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds Outstanding at the date of the execution and delivery of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds issued after the date of the execution and delivery of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(h) To increase the amounts of Required Bond Transfers set forth in Section 502(b); and

(i) To authorize the issuance of Section 209 Obligations.

Section 802. Supplemental Indentures Effective Upon Consent of Trustee.

(a) For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be authorized by a Bond Sale Order, which, upon (i) the filing with the Trustee of a copy of such Bond Sale Order, (ii) the filing with the Trustee and the State of an instrument in writing made by the Trustee consenting thereto, and (iii) the execution and delivery of such Supplemental Indenture by the State and the Trustee, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture;

(2) 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; or

(3) To provide additional duties of the Trustee under this Indenture.

(b) Any such Supplemental Indenture may also contain one or more of the purposes specified in Section 801, and in that event, the consent of the Trustee required by this Section shall be applicable only to those provisions of such Supplemental Indenture as shall contain one or more of the purposes set forth in subsection (a) of this Section.

Section 803. Supplemental Indentures Effective Upon Consent of Bondholders.

At any time or from time to time, a Supplemental Indenture may be authorized by a Bond Sale Order, subject to consent by the Bondholders in accordance with and subject to the provisions of Article IX, which Supplemental Indenture, upon the filing with the Trustee of a copy of such Bond Sale Order, upon compliance with the provisions of Article IX, and upon execution and delivery of such Supplemental Indenture by the State and Trustee, shall become fully effective in accordance with its terms.

Section 804. General Provisions.

(a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and Article IX. Nothing in this Article or Article IX contained shall affect or limit the right or obligation of the State to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 708 or the right or obligation of the State to execute and deliver to any Fiduciary any Certificate or instrument which elsewhere in this Indenture it is provided shall be delivered to said Fiduciary.

(b) Any Bond Sale Order authorizing a Supplemental Indenture referred to and permitted or authorized by Section 801 or 802 may be delivered without the consent of any of the Bondholders, but such Supplemental Indenture shall be executed and delivered by the State and the Trustee and shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. Every Supplemental Indenture delivered to the Trustee for execution shall be accompanied by a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully authorized by the Act and the Bond Sale Order and executed by the State in accordance with the provisions of the Act and this Indenture, is authorized or permitted by this Indenture, and will, when executed and delivered by the Trustee, be valid and binding upon the State and enforceable in accordance with its terms, except as enforceability may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors or principles of equity in the event equitable remedies are sought.

(c) The Trustee is hereby authorized to enter into, execute and deliver any Supplemental Indenture referred to and permitted or authorized by Section 801, 802 or 803 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

ARTICLE IX

Amendments

Section 901. Mailing of Notice of Amendment. Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of then Outstanding Bonds at his address, if any, appearing upon the registration books maintained by the State at the principal corporate trust office of the Trustee, and (ii) to the Trustee.

Section 902. Powers of Amendment. Any modification or amendment of this Indenture or of any Supplemental Indenture or of the rights and obligations of the State and of the Bondholders, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in Section 903, (a) of the owners of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, (b) in case less than all of the several Series of then Outstanding Series of Bonds are affected by the modification or amendment, of the owners of at least two-thirds in principal amount of the then Outstanding Bonds of each Series so affected, (c) in case any Section 209 Obligations are affected by the modification or amendment, of the owners of the Section 209 Obligations so affected, and (d) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the then Outstanding Bonds of the particular Series and maturity entitled to such Sinking Fund Payment; except that if any such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the owners of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the State and all owners of Bonds.

Section 903. Consent of Bondholders.

(a) The State may at any time authorize a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 902 to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or a brief

summary thereof or reference thereto in form approved by the Trustee), together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the State to the Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (i) the written consents of owners of the percentages of Outstanding Bonds specified in Section 902 and (ii) a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully executed and delivered by the State and the Trustee in accordance with the provisions of this Indenture, is authorized or permitted hereby and is valid and binding upon the State and enforceable in accordance with its terms, except as enforceability may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors or principles of equity in the event equitable remedies are sought.

(b) The consent of any Bondholder to any modification or amendment shall be effective only if accompanied by proof of the ownership, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1115. A certificate or certificates signed by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 1115 shall be conclusive that the consents have been given by the Bondholders described in such certificate or certificates. Any such consent shall be binding upon the Bondholders giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent owner thereof has notice thereof) unless such consent is revoked in writing by the owner of such Bonds giving such consent or a subsequent owner thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee.

(c) At any time after the owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the State and the Trustee a written statement that the owners of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the State and the Trustee as of a stated date, a copy of which is on file with the Trustee) has been consented to by the owners of the required percentages of Bonds and will be effective as provided in this Section, may be given to owners by the State by mailing such notice to the owners of the Bonds (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section) not more than 90 days after the owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Trustee hereinabove provided for is filed. The State shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or

modification shall be deemed conclusively binding upon the State, the Fiduciaries and the owners of all Bonds and coupons at the expiration of 40 days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 40 day period; except that any Fiduciary and the State during such 40 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 904. Modifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the State and of the owners of the Bonds and coupons hereunder may be modified or amended in any respect upon the consent of the owners of all the then Outstanding Bonds to the execution and delivery of such Supplemental Indenture, such consent to be given as provided in Section 903 except that no notice to the owners of the Bonds shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the owners of the Bonds.

Section 905. Exclusion of Bonds. Bonds owned by or for the account of the State shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the State shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the State shall furnish the Trustee with a Certificate upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 906. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article VIII or this Article provided may, and, if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the State and the Trustee as to such action, and in that case upon demand of the owner' of any Bonds Outstanding at such effective date and presentation of his Bonds for that purpose at the principal office of the Trustee or upon any exchange or registration of transfer of any Bonds Outstanding at such effective date, suitable notation shall be made on such Bonds or upon any Bonds issued upon any such exchange or registration of transfer by the Trustee as to any such action. If the State or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the State to conform to such action shall be prepared, authenticated and delivered, and upon demand of the holder of any Bond then Outstanding shall be exchanged, without cost to such owner, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds with all unpaid coupons, if any, appertaining thereto.

ARTICLE X

Default and Remedies

Section 1001. Events of Default. Each of the following events of default is hereby declared an "Event of Default":

(a) Payment of the principal or Redemption Price, if any, of any Bond shall not be made when and as the same shall become due, whether at maturity or upon call for redemption or otherwise;

(b) Payment of any installment of interest on any Bond shall not be made within 30 days after the same shall become due;

(c) The State shall fail or refuse to comply with the provisions of this Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in the Bonds which materially affects the rights of the owners of the Bonds and such failure, refusal or default shall continue for a period of 30 days after written notice thereof by the Trustee or the owners of not less than 25% in principal amount of the Outstanding Bonds; provided, however, that so long as the State is exercising due diligence in the case of any such default which can be cured by due diligence but which cannot be cured within the 30 day period, the time to cure shall be extended for such period as may be necessary to remedy the default with all due diligence;

(d) An Event of Default shall occur and be continuing under the provisions of any Supplemental Indenture; or

(e) An event of default shall occur and be continuing under any instrument creating any Section 209 Obligations.

Section 1002. Remedies.

(a) Upon the happening and continuance of any Event of Default specified in paragraph (a) or (b) of Section 1001, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in paragraph (c), (d) or (e) of Section 1001, the Trustee may proceed, and upon the written request of the owners of not less than 25% in principal amount of the Outstanding Bonds, shall proceed, in its own name, subject to the provisions of this Section, to protect and enforce its rights and the rights of the owners of the Bonds by such of the following remedies or any additional remedies specified in one or more Supplemental Indentures as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(i) By mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the owners of the Bonds including the right to require the State to receive and collect Revenues adequate to carry out the covenants and agreements as to such Revenues and the pledge contained in Section 204 and to require the State to carry out any other covenant or agreement with the owners of the Bonds and to perform its duties under this Indenture;

(ii) By bringing suit upon the Bonds;

(iii) By action or suit in equity, require the State to account as if it were the trustee of an express trust for the owners of the Bonds; or

(iv) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds.

(b) In the enforcement of any rights and remedies under this Indenture the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the State but only out of moneys pledged as security for the Bonds for principal, Redemption Price, interest or otherwise, under any provision of this Indenture or any Supplemental Indenture or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the owners of the Bonds, and to recover and enforce a judgment or decree against the State for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available under this Indenture for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 1003. Priority of Payments After Default.

(a) In the event that upon the happening and continuance of any Event of Default, the moneys held by any Fiduciary shall be insufficient for the payment of principal or Redemption Price, if any, and interest then due on the Bonds, such moneys (other than moneys held for the payment or redemption of particular Bonds or coupons which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to this Article, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the owners of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by any Fiduciary in the performance of its duties under this Indenture, shall, except as otherwise provided with respect to moneys held for the exclusive benefit of Bonds of a particular Series or particular Section 209 Obligations under the provisions of a Supplemental Indenture or other instrument, be applied as follows:

First: To the payment to the persons entitled thereto of all installments of interest (other than Subordinated Interest) on Senior Bonds then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal (other than Subordinated Principal Installments) or Redemption Price of any Senior Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates with interest on such Bonds from the respective dates upon which such principal or Redemption Price became due at the rate borne by the

Bonds and, if the amounts available shall not be sufficient to pay in full all the Senior Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal (other than Subordinated Principal Installments) or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference; and

Third: To the payment to the persons entitled thereto of all Subordinated Interest and Subordinated Principal Installments payable on Senior Bonds and all interest on and unpaid principal or Redemption Price of any Junior Obligations in such order and with such priority as set forth in the Supplemental Indentures or other instruments authorizing such Senior Bonds and Junior Obligations.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee and the Trustee shall incur no liability whatsoever to the State, to the owner of any Bond or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the owner of any unpaid Bond or any unpaid coupon unless such Bond or such coupon shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 1004. Termination of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the State, the Trustee and the owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 1005. Direction of Proceedings by Bondholders. Anything in this Indenture to the contrary notwithstanding, the owners of the majority in principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, except that such direction shall not be otherwise than in accordance with the law or the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to owners of the Bonds not parties to such direction.

Section 1006. Limitation on Rights of Bondholders.

(a) No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceedings in equity or at law under this Indenture, or for the protection or enforcement of any right or remedy under this Indenture or any right under law unless such owner shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 25% in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or rights of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Indenture or for any other remedy under this Indenture or under law. It is understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right under this Indenture or under law with respect to the Bonds or this Indenture, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the benefit of all owners of the Outstanding Bonds and coupons. Nothing in this Article contained shall affect or impair the right of the owner of any Bond to enforce the payment of the principal or Redemption Price, if any, of and interest on each Bond issued under this Indenture to the owner thereof at the time and place in said Bond and appurtenant coupons, if any, expressed.

(b) Notwithstanding anything to the contrary contained in this Section, or any other provision of this Indenture, each owner of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any owner of any Bond, or group of such owners, holding at least 25% in principal amount of the Bonds Outstanding, or to any suit instituted by the owner of any Bond for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

Section 1007. Possession of Bonds by Trustee Not Required. All rights of action under this Indenture or under any of the Bonds enforceable by the Trustee may be enforced by it

without the possession of any of the Bonds or the coupons appertaining thereto or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the owners of such Bonds and coupons, subject to the provisions of this Indenture.

Section 1008. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the owners of the Bonds by this Indenture is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 1009. No Waiver of Default. No delay or omission by the Trustee or by the owner of any Bond to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein and every power and remedy given by this Indenture to the Trustee and the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 1010. Notice to Bondholders. The Trustee shall give to the owners of the Bonds notice of each Event of Default under this Indenture known to the Trustee within 90 days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured or necessary moneys provided before the giving of such notice; but, except in the case of default in the payment of the principal or Redemption Price, if any, of or interest on any of the Bonds, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the owners of the Bonds. Each such notice shall be given by the Trustee by mailing written notice thereof: (a) to all registered owners of the Bonds as the names and addresses of such owners appear upon the books for registration and transfer of Bonds as kept by the Trustee and (b) to such other person as is required by law.

ARTICLE XI

Concerning The Fiduciaries

Section 1101. Trustee. The Trustee hereunder shall be a bank, trust company or national banking association having the powers of a trust company doing business and having its principal office in the State of Illinois, having capital and surplus in excess of \$100,000,000.

Section 1102. Appointment and Acceptance of Duties of Paying Agents.

(a) The State shall appoint, or may by Supplemental Indenture authorize the Trustee to appoint, one or more Paying Agents by Bond Sale Order delivered prior to the issuance of such Bonds, and may at any time or from time to time appoint or authorize the Trustee to appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 1114 for the appointment of a successor Paying Agent. The Trustee may be appointed and may act as a Paying Agent.

(b) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture or any Supplemental Indenture by written instrument of acceptance executed and delivered to the State and the Trustee.

(c) The principal or corporate trust offices of the Paying Agents are hereby designated as the respective agencies of the State or the Trustee, as the case may be, for the payment of the interest on and principal or Redemption Price of the Bonds.

Section 1103. Funds Held in Trust and Security Therefor. All moneys held by any Fiduciary, as such, at any time pursuant to the terms of this Indenture shall be and hereby are assigned, transferred and set over unto such Fiduciary in trust for the purposes and upon the terms and conditions of this Indenture. Subject to the provisions of Section 505 as to investment of moneys held hereunder, all moneys (not including securities) held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department. The Trustee and every Paying Agent shall allow and credit interest on any such moneys held by it at such rate as it customarily allows upon similar moneys of similar size and under similar conditions or as required by law. Except as otherwise provided in Section 505(b), interest in respect of moneys or on securities in any Fund or Account shall be credited in each case to the Fund or Account in which such moneys or securities are held.

Section 1104. Responsibility of Fiduciaries. The recitals of fact herein and in any Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds or coupons issued thereunder or in respect of the security afforded by this Indenture, and no Fiduciary shall incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the State or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or default.

Section 1105. Evidence on Which Fiduciaries May Act. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including payment of moneys out of any Fund or Account, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise

expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the State to any Fiduciary shall be sufficiently executed if executed in the name of the State by an Authorized Officer.

Section 1106. Compensation and Expenses. The State shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees incurred in and about the performance of their powers and duties under this Indenture, and the Fiduciaries shall have a lien therefor on any and all moneys at any time held by it under this Indenture. The State further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, which are not due to its negligence or default.

Section 1107. Permitted Acts and Functions. Any Fiduciary may become the owner of any Bonds and coupons, with the same rights it would have if it were not such Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the owners of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the owners of a majority in principal amount of the Bonds then outstanding.

Section 1108. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than 60 days' written notice to the State and mailing notice thereof, specifying the date when such resignation shall take effect, to the owners of the Bonds. Such resignation shall take effect only upon the appointment of a successor Trustee as provided in Section 1110.

Section 1109. Removal of Trustee. The Trustee shall be removed by the State if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the State, and signed by the owners of a majority in principal of the then Outstanding Bonds or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the State. The State may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the State by filing with the Trustee an instrument signed by an Authorized Officer.

Section 1110. Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the State covenants and agrees that it will thereupon appoint a successor Trustee. The State shall, within 20 days after such appointment, mail notice of such appointment to the owners of the Bonds.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the State written notice, as provided in Section 1108, or after a vacancy in the office of the Trustee shall have occurred by reason of its removal or inability to act, the Trustee or the owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank, trust company or national banking association meeting the requirements of Section 1101.

Section 1111. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the State, a written instrument of acceptance respecting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the request of the State, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the State be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 1112. Merger or Consolidation. Any company into which any Fiduciary 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 any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank, trust company or national banking association which is qualified to be a successor to such Fiduciary under Section 1110 or Section 1114 and shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding.

Section 1113. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated, and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such

cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture provided that the certificate of the Trustee shall have.

Section 1114. Resignation or Removal of Paying Agents and Appointment of Successors.

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the State and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the State. Any successor Paying Agent shall be appointed by the State and shall be a bank, trust company or national banking association having the powers of a trust company, having a combined capital, surplus and undivided profits in excess of \$50,000,000, and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor then appointed, to the Trustee. In the event that for any reason there shall be no Paying Agent at any time, the Trustee shall act as such Paying Agent.

Section 1115. Evidence of Signatures of Bondholders and Ownership of Bonds.

(a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds or coupons thereto appertaining, shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any owner or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate owner may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary; and

(2) The ownership of Bonds and the amount, numbers and other identification, and date of ownership of the same shall be proved by the registry books.

Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the State or any Fiduciary in accordance therewith.

Section 1116. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the State, any other Fiduciary and any owner of Bonds and their agents and their representatives, any of whom may make copies thereof.

ARTICLE XII

Miscellaneous

Section 1201. Defeasance.

(a) If the State shall pay or cause to be paid to the owners of all Bonds, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein, in this Indenture and the Supplemental Indentures creating such Bonds, then the pledge contained in Section 204 and all other rights granted hereby, shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the State, execute and deliver to the State all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the State all Accounts, Funds and other moneys or securities held by them pursuant to this Indenture which are not required for the payment or redemption of Bonds or coupons not theretofore surrendered for such payment or redemption. If the State shall pay or cause to be paid, or there shall otherwise be paid, to the owners of all Outstanding Bonds of a particular Series or maturity within a Series and the coupons appertaining thereto, the principal or Redemption Price, if any, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the State to the owners of such Bonds and to the Trustee shall thereupon be discharged and satisfied.

(b) Bonds or coupons or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by Fiduciaries (through deposit by the State of moneys for such payment or redemption or otherwise) at or prior to their maturity or redemption dates shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if the State shall have delivered to or deposited with the Trustee (i) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their Principal Installments, (ii) irrevocable instructions to publish or mail the required notice of redemption of any

Bonds so to be redeemed, (iii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Obligations or Qualified Investments described in paragraphs (f) and (g) of the definition thereof in Section 101, the principal of and the interest on which when due (without reinvestment thereof) will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, and interest due and to become due on said Bonds or coupons on and prior to each specified redemption date or maturity date thereof, as the case may be, and (iv) if any of said Bonds or coupons are not to be redeemed within the next succeeding 45 days, irrevocable instructions to publish, as soon as practicable in an Authorized Newspaper, and to mail, at the time of such first publication, a notice to all registered owners of such Bonds and coupons that such deposit has been made with the Trustee and that said Bonds and coupons are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, and interest due and to become due on said Bonds and coupons; provided, however, that no such publication of notice of said deposit shall be required if all of said Bonds are registered. The Federal Obligations and Qualified Investments and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if any, of and interest on said Bonds. No payments of principal of any such Federal Obligations or Qualified Investments or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, said Bonds unless after such withdrawal the amount held by the Trustee and interest to accrue on Federal Obligations and Qualified Investments so held shall be sufficient to provide fully for the payment of the principal or Redemption Price of and interest on such Bonds, at maturity or upon redemption, as the case may be.

Section 1202. Funds Held for Particular Bonds and Coupons.

(a) The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price or accrued interest due on any date with respect to particular Bonds or coupons shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the owners of the Bonds and coupons entitled thereto and for the purposes of this Indenture, such interest, principal or Redemption Price, after the due date thereof, shall no longer be considered to be unpaid.

(b) If, through the deposit of moneys by the State or otherwise, the Fiduciaries shall hold, pursuant to this Indenture, moneys sufficient to pay the principal and interest to maturity on all Outstanding Bonds and coupons or in the case of Bonds in respect of which the State shall have taken all action necessary to redeem prior to maturity, sufficient to pay the Redemption Price and interest to such redemption date, then at the request of the State all moneys held by any Paying Agent shall be paid over to the Trustee and, together with other moneys held by it hereunder, shall be held by the Trustee for the payment or redemption of Outstanding Bonds and coupons.

(c) Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds or coupons

Section 1206. Applicable Law. This Indenture shall be governed exclusively by and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed in the State of Illinois.

IN WITNESS WHEREOF, the State has caused these presents to be signed in its name and behalf by its Director of the Bureau of the Budget and its official seal to be hereunto affixed and attested by its Secretary of State; and to evidence its acceptance of the trusts hereby created the Trustee has caused these presents to be signed in its name and behalf by one of its Second Vice Presidents, its corporate seal to be hereunto affixed, and the same to be attested by one of its Trust Officers, all as of the fifteenth day of September, 1985.

STATE OF ILLINOIS

By _____
Director of the Bureau of the Budget

Secretary of State

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO, as
Trustee

By _____
Second Vice President

(SEAL)

Attest:

Trust Officer