

REGIONAL TRANSPORTATION AUTHORITY

**An Ordinance Authorizing The Issuance of
Bonds and Notes of the Regional Transportation Authority**

ADOPTED
August 8, 1985

ORDINANCE NO. 85-39

AS AMENDED
July 23, 1986
November 20, 1986
May 18, 1990
November 7, 1991
and
May 6, 1993

ORDINANCE NO. 86-46
ORDINANCE NO. 86-80
ORDINANCE NO. 90-32
ORDINANCE NO. 91-60
ORDINANCE NO. 93-24

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS AND
NOTES OF THE REGIONAL TRANSPORTATION AUTHORITY

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE
REGIONAL TRANSPORTATION AUTHORITY, COOK, DU PAGE, LAKE, KANE,
MCHENRY AND WILL COUNTIES, ILLINOIS, AS FOLLOWS:

ARTICLE I
AUTHORITY, DEFINITIONS AND FINDINGS

Section 101. Definitions. For the purposes of this Ordinance the following words, terms and phrases shall have the following meanings, unless the context indicates a different meaning.

(1) "Account" or "Accounts" shall mean, as the case may be, each or all of the accounts or sub-accounts established by this Ordinance or any Series Ordinance, or by any Section or Article of this Ordinance or any Series Ordinance.

(2) "Accountant" shall mean an independent certified public accountant or a firm of independent certified public accountants selected or approved by the Authority.

(3) "Accountant's Certificate" shall mean an opinion signed by an Accountant.

(4) "Act" shall mean the Regional Transportation Authority Act, as amended, [Ill. Rev. Stat. ch. 111-2/3, §701.01 *et seq.*].

(5) "Additional Authority Obligations" shall mean any Authority Obligations issued after the time of issuing the initial Series of Authority Obligations.

(6) "Additional State Assistance" shall have the meaning set forth in the Act.

(7) "Annual Debt Service Requirements" shall mean, for any twelve-month period ending on an April 30 and with respect to any Series of Authority Obligations, the amount required during that period to be deposited in the account of the Debt Service Fund in respect of principal and interest for that Series of Authority Obligations. With respect to Authority Obligations which bear interest at variable rates, the deposits for purposes of this Section shall be calculated in respect of interest as if the Authority Obligations would bear interest at the maximum rate which those Obligations may bear pursuant to law or the applicable authorizing Series Ordinance, or if there is no such maximum rate at a rate equal to 20% per year. With respect to Authority Obligations for which there is a purchase, unscheduled mandatory redemption or similar unscheduled requirement which is provided to be paid by use of a Credit Support Instrument, the deposits shall be calculated in respect of principal on the basis of scheduled payments of principal (at maturity or pursuant to Sinking Fund Installments) and not pursuant to the purchase, redemption or similar unscheduled requirements provided so to be paid through the Credit Support Instrument.

(8) "*Authority*" shall mean the Regional Transportation Authority, Cook, DuPage, Lake, Kane, McHenry and Will Counties, Illinois.

(9) "*Authority Obligations*" shall mean the Bonds and the Notes.

(10) "*Authority Obligations Registrar*" shall mean the Trustee in its capacity as Registrar of Authority Obligations.

(11) "*Authorized Officer*," in respect of any act or duty, shall mean the Chairman, the Treasurer, and in addition any director, officer or employee of the Authority authorized by the by-laws or a resolution of the Authority to perform that particular act or duty. With respect to any investment of funds, Authorized Officer also includes any investment advisor appointed by resolution of the Authority.

(12) "*Board*" shall mean the Board of Directors of the Authority.

(13) "*Bond*" or "*Bonds*" shall mean any of the Authority's General Obligation Bonds which are issued pursuant to the Act, this Ordinance and a Series Ordinance.

(14) "*Bond Anticipation Notes*" shall mean any of the Authority's General Obligation Bond Anticipation Notes issued in anticipation of Bonds, which notes are issued pursuant to the Act, this Ordinance and a Series Ordinance.

(15) "*Capital Asset Purposes*" shall mean any or all of the following purposes as provided in the Act: to pay costs to the Authority or a Service Board of constructing or acquiring any public transportation facilities (including funds and rights relating to those facilities, as provided in Section 2.05 of the Act); to repay advances to the Authority or a Service Board made for those purposes; to pay other expenses of the Authority or a Service Board incident to or incurred in connection with such construction or acquisition; to provide funds for any transportation agency to pay principal of or interest or redemption premium on any bonds or notes by such transportation agency to construct or acquire any public transportation facilities or to provide funds to purchase such bonds or notes; and to provide funds for any transportation agency to construct or acquire public transportation facilities, to repay advances made for such purposes, and to pay other expenses to or incurred in connection with such construction or acquisition.

(16) "*Capital Assets Fund*" shall mean the Capital Assets Fund established in Section 501 of this Ordinance.

(17) "*Chairman*" shall mean the Chairman of the Board.

(18) "*Compound Accreted Value*" shall mean, with respect to a Bond issued at an original issue discount in excess of 2%, the principal amount of the Bond at maturity less the unaccrued original issue discount. The amount of the discount shall be accrued on a constant interest rate basis (that is, actuarially on a geometric progression) from the date of issuance of the initially issued Bonds of that Series until the date specified in the applicable Series Ordinance as

that date in which those Bonds shall have achieved a compound accreted value equal to their full principal amount (either at the final maturity date of the Bond or earlier, as the case may be).

(19) "*Costs of Issuance*" shall mean all fees and costs incurred by the Authority relating to the issuance of Authority Obligations including, without limitation, printing costs, administrative costs, Trustee's initial fees and charges, paying agent's initial fees, legal fees, rating costs, accounting fees and financial advisory fees, the cost of any bond insurance premium to insure any Authority Obligations and any amounts to be paid to obtain a Credit Support Instrument or Reserve Fund Credit Instrument.

(20) "*Counsel's Opinion*" shall mean an opinion signed by a lawyer or firm of lawyers, not employees of the Authority.

(21) "*Credit Support Instrument*" shall mean a letter of credit, line of credit, insurance policy, guaranty, surety bond or other obligation issued by a Qualified Provider which guarantees or otherwise ensures the ability of the Authority or the Trustee to pay the principal, Redemption Price of or interest on or Purchase Price of, any Authority Obligations or by which the institution shall be obligated to purchase Authority Obligations from the Holders of the Authority Obligations.

(22) "*Debt Service Fund*" shall mean the Debt Service Fund established in Section 602 of this Ordinance.

(23) "*Debt Service Reserve Fund*" shall mean the Bond Debt Service Reserve Fund established by Section 606 of this Ordinance.

(24) "*Events of Default*" shall mean the occurrence of an event specified in Sections 1101 and 1102 of this Ordinance which shall give the Trustee the power to take steps to protect, enhance or enforce rights granted in this Ordinance, a Series Ordinance or an Authority Obligation.

(25) "*Fiscal Year*" shall mean, except for the first Fiscal Year, the period of twelve calendar months ending with December 31 of any year, or such other period as may by the Authority be established from time to time. The first Fiscal Year under this Ordinance shall begin on the date the first Authority Obligations are issued and end on the next December 31.

(26) "*Fund*" or "*Funds*" shall mean, as the case may be, each or all of the Funds established by this Ordinance.

(27) "*Government Obligations*" shall mean the obligations referred to in clauses (a) and (g) of the definition of Investment Obligations; provided that the obligations referred to in clause (g) shall be accompanied by (i) an opinion of a firm of nationally recognized independent certified public accountants to the effect that the escrow is sufficient to pay the obligations when due and (ii) the approving opinion of bond counsel delivered at the time of the issuance of such obligations.

[(27) "*Government Obligations*" shall mean Investment Obligations which are direct obligations of the United States of America or obligations referred to in clause (g) of the definition of Investment Obligations.]*

(28) "*Holder*" when used with respect to any Authority Obligations shall mean the registered owner of Authority Obligations. "*Bondholder*" shall mean a holder of a Bond; "*Noteholder*" shall mean a holder of a Note.

(29) "*Investment Obligations*" shall mean any of the following obligations which at the time of investment of any amounts in any Fund or Account established pursuant to this Ordinance are legal investments under the laws of the State of Illinois for that Fund or Account:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations described in (b) below to the extent unconditionally guaranteed by the United States of America; or any other receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (a) as long as the receipt, certificate or other evidence of an ownership interest represents a direct interest in future principal and interest payments on obligations unconditionally guaranteed by the United States of America and such obligations are held by a custodian in safekeeping on behalf of the holders of the receipt, certificate or other evidence of an ownership interest therein;

(b) obligations of the Export-Import Bank of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Finance Bank, the Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, the Farmers Home Administration, the Federal Farm Bank and the Federal Home Loan Mortgage Association, including obligations of any other agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America which obligations of such agency or corporation have been approved by S&P if S&P at the time maintains a rating of any of the Authority Obligations; or any other receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (b), which receipt, certificate or other evidence of an ownership interest shall be first approved by S&P if S&P at the time maintains a rating of any of the Authority Obligations;

(c) direct and general obligations of the State of Illinois;

* This language applies with respect to Accounts created in the Debt Service Fund or the Debt Service Reserve Fund for the payment of the Series 1986A Bonds and with respect to any investment of funds on deposit in any escrow account created for the defeasance of the Series 1986A Bonds pursuant to Section 1201 of this Ordinance.

(d) direct and general obligations of any state, other than Illinois, which obligations are rated in either of the two highest rating categories by (i) S&P if S&P at the time maintains a rating of any of the Authority Obligations or (ii) any nationally recognized rating agency other than S&P if S&P at the time does not maintain a rating of any Authority Obligations;

(e) repurchase agreements for obligations described in clauses (a) and (b) of this definition, provided that the entity which agrees to repurchase such obligations from the Authority must be a Qualified Financial Institution or a government bond dealer reporting to, trading with and recognized as a primary dealer by a Federal Reserve Bank, in any case with capital and surplus aggregating at least \$50,000,000, and provided that the agreement provides for the Authority to be secured by such obligations (by delivery to the Trustee or its agent in that capacity or by other steps which, as evidenced by a Counsel's Opinion, shall have the effect of securing the Trustee to the same effect as if it or its agent in that capacity were the holder of the underlying obligations) with a market value at least equal to the repurchase amount;

(f) negotiable or non-negotiable time deposits evidenced by certificates of deposit, or investment agreements, or similar banking arrangements, issued or made by banks, savings and loan associations, trust companies or national banking associations (which may include the Trustee) which are members of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, provided that such time deposits, investment agreements or similar banking arrangements in any such bank, savings and loan association, trust company or national banking association either (i) are continuously secured by obligations described in subparagraphs (a), (b), (c) or (d) of this definition (by physical delivery to the Trustee or its agent in that capacity or by other steps which, as evidenced by a Counsel's Opinion, shall have the effect of securing the Trustee to the same effect as if it or its agent were in that capacity the physical holder of the underlying obligations), and provided that such obligations at all times have a market value at least equal to the maturity value of the deposits so secured, including accrued interest or (ii) are continuously and fully insured by the Federal Deposit Insurance Corporation;

(g) (i) Obligations of States or political subdivisions of States (within the meaning of the United States Internal Revenue Code, as amended) which are fully secured and defeased as to principal and interest by an irrevocable escrow of direct obligations of the United States of America and rated in the highest rating category by S&P if S&P at the time maintains a rating of any of the Authority Obligations and (ii) any other receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in subclause (i) of this clause (g), which receipt, certificate or other evidence of an ownership interest shall be first approved by S&P if S&P at the time maintains a rating of any of the Authority Obligations;

(h) Investment agreements with Qualified Financial Institutions;

(i) Obligations of the International Bank for Reconstruction and Development (the World Bank);

(j) Corporate securities, including commercial paper and fixed income obligations, which are rated in the highest rating category by (i) S&P if S&P at the time maintains a rating of any of the Authority Obligations or (ii) any nationally recognized rating agency other than S&P if S&P at the time does not maintain a rating of any Authority Obligations; and

(k) Any other investment permitted by Illinois law rated investment grade by (i) S&P if S&P at the time maintains a rating of any of the Authority Obligations or (ii) any nationally recognized rating agency other than S&P if S&P at the time does not maintain a rating of any Authority Obligations; provided that no investment of funds in the Debt Service Fund shall be made pursuant to the fifth paragraph of Ill. Rev. Stat. ch. 85, par. 902, as in effect on the date hereof;

provided, however, that the investments described in subparagraphs (e) and (f) above constitute permitted Investment Obligations only for the account in the Capital Assets Fund created for the Authority's General Obligation Bonds, Series 1990A.

[(29) "*Investment Obligations*" shall mean any of the following obligations which at the time of investment of any amounts in any Fund or Account established pursuant to this Ordinance are legal investments under the laws of the State of Illinois for that Fund or Account:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America;

(b) obligations of the Export-Import Bank of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, the Farmers Home Administration, the Federal Farm Bank and the Federal Home Loan Mortgage Association;

(c) direct and general obligations of the State of Illinois;

(d) direct and general obligations of any state, other than Illinois, which obligations are rated in either of the two highest rating categories by at least one nationally recognized rating agency;

(e) repurchase agreements for obligations described in clauses (a) and (b) of this definition, provided that the entity which agrees to repurchase such obligations from the Authority must be a bank, trust company or national banking association or a government bond dealer reporting to, trading with and recognized as a primary dealer by a Federal Reserve Bank, in any case with capital and surplus aggregating at least \$50,000,000, and provided that the agreement provides for the Authority to be continuously secured by such obligations (by physical delivery to the Trustee or its agent

in that capacity or by other steps which, as evidenced by a Counsel's Opinion, shall have the effect of securing the Trustee to the same effect as if it or its agent in that capacity were the physical holder of the underlying obligations) with a market value at all times at least equal to the repurchase amount;

(f) negotiable or non-negotiable time deposits evidenced by certificates of deposit, or investment agreements, or similar banking arrangements, issued or made by banks, savings and loan associations, trust companies or national banking associations (which may include the Trustee) which are members of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, provided that such time deposits, investment agreements or similar banking arrangements in any such bank, savings and loan association, trust company or national banking association either (i) are continuously secured by obligations described in subparagraphs (a), (b), (c) or (d) of this definition (by physical delivery to the Trustee or its agent in that capacity or by other steps which, as evidenced by a Counsel's Opinion, shall have the effect of securing the Trustee to the same effect as if it or its agent were in that capacity the physical holder of the underlying obligations), and provided that such obligations at all times have a market value at least equal to the maturity value of the deposits so secured, including accrued interest or (ii) are continuously and fully insured by the Federal Deposit Insurance Corporation; and

(g) Obligations of States or political subdivisions of States (within the meaning of the United States Internal Revenue Code, as amended) which are fully secured and defeased as to principal and interest by an irrevocable escrow of direct obligations of the United States of America.]*

(30) "*Moody's*" shall mean Moody's Investors Service, Inc., its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency, shall refer to any other nationally recognized securities rating organization designated by the Authority, by notice to the Trustee.

(31) "*Notes*" shall mean Bond Anticipation Notes or Working Cash Notes, or any other general obligations notes as may be authorized to be issued by the Authority pursuant to the Act.

(32) "*Operating Expenses*" shall mean day to day operating expenses of the Authority or of a Service Board consisting of wages, salaries and fringe benefits, professional and technical services (including legal, audit, engineering and other consulting services), office rentals, furniture, fixtures and equipment, insurance premiums, claims for self-insured amounts under insurance policies, public utility obligations for telephone, light, heat and similar items, travel expenses, office supplies, postage, dues, subscriptions, fuel purchases, and payments of grants

* This language applies with respect to Accounts created in the Debt Service Fund or the Debt Service Reserve Fund for the payment of the Series 1986A Bonds and with respect to any investment of funds on deposit in any escrow account created for the defeasance of the Series 1986A Bonds pursuant to Section 1201 of this Ordinance.

and payments under purchase of service agreements for operations of transportation agencies (as defined in the Act).

(33) "*Ordinance*" shall mean this Ordinance.

(34) "*Outstanding*" shall mean, when used with reference to Authority Obligations, all such obligations which have been issued except (a) Authority Obligations which have been paid or redeemed in full both as to principal and interest or (b) Authority Obligations provision for the payment or redemption of which has been made pursuant to Article XII of this Ordinance.

(35) "*Paying Agent*" shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association designated by the Authority as paying agent for the Authority Obligations of any Series, and its successor or successors which may be appointed in the manner provided in this Ordinance.

(36) "*Public Transportation Fund Revenues*" shall mean the amounts paid to or on behalf of the Authority from the Public Transportation Fund in the Treasury of the State of Illinois pursuant to Section 4.09 of the Act, but shall not include Additional State Assistance.

(37) "*Purchase Price*" shall mean the price at which a Holder of an Authority Obligation shall have the right pursuant to a Series Ordinance to have the Obligation purchased from the Holder by the Authority or the Trustee.

(38) "*Qualified Financial Institution*" shall mean a bank, trust company, national banking association, insurance company or other financial services company whose long-term debt obligations or whose claims paying abilities are rated in any of the three highest rating categories (without reference to subcategories) by (i) S&P if S&P at the time maintains a rating of any of the Authority Obligations or (ii) any nationally recognized rating agency other than S&P if S&P at the time does not maintain a rating of any Authority Obligations. For purposes hereof, the term "*financial services company*" shall include any investment banking firm or any affiliate or division thereof which may be legally authorized to enter into the transactions described in this Ordinance pertaining, applicable or limited to a Qualified Financial Institution.

(39) "*Qualified Provider*" shall mean a bank (including without limitation, a national banking association or a foreign bank authorized to do business in the United States), insurance company or other institution, which bank, company or institution provides letters of credit, lines of credit, insurance policies, guaranties, surety bonds or other similar obligations for municipal bonds, which obligation of the institution is rated in one of the top three full rating categories by Moody's Investors Service, Inc. and Standard and Poor's Corporation.

(40) "*Rebate Account*" or "*Rebate Accounts*" shall mean the account or accounts of that name with respect to various Series of Authority Obligations established in Section 603 of this Ordinance.

(41) "*Redemption Price*" shall mean, with respect to any Authority Obligation (or portion of any Authority Obligation) the price on any redemption date, exclusive of accrued and

unpaid interest, at which the Authority Obligation (or a portion of it) may or must be redeemed pursuant to this Ordinance and the Series Ordinance pursuant to which the Authority Obligation was issued.

(42) *"Reserve Fund Credit Instrument"* shall mean a non-cancellable insurance policy, a non-cancellable surety bond or an irrevocable letter of credit which may be delivered to the Trustee in lieu of or in partial substitution for cash or securities required to be on deposit in the Debt Service Reserve Fund. In the case of an insurance policy or surety bond, the company providing the policy or bond shall be an insurer which, at the time of the issuance of the policy or bond, has been assigned a credit rating which is within one of the two highest ratings accorded insurers by both Moody's and S&P. In the case of a letter of credit, it shall be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of the issuance of the letter of credit, a credit rating on its long-term unsecured debt within one of the two highest rating categories from both Moody's and S&P. The insurance policy, surety bond or letter of credit shall grant to the Trustee the right to receive payment for the purposes for which the Debt Service Reserve Fund may be used and shall be irrevocable during its term.

(43) *"Reserve Fund Credit Instrument Coverage"* shall mean, with respect to any Reserve Fund Credit Instrument, at any date of determination, the amount available to pay principal, Redemption Price or Purchase Price of and interest on the Bonds secured by such Reserve Fund Credit Instrument.

(44) *"Reserve Requirement"* with respect to each Account in the Debt Service Reserve Fund shall mean as of any date of calculation, the lesser of (i) 10% of the original principal amount of the Series of Bonds (less any original issue discount) secured by such Account; and (ii) the maximum amount of the Annual Debt Service Requirements for the Outstanding Bonds secured by such Account for that or any future twelve-month period ending April 30.

(45) *"Revenues"* shall mean all Sales Tax Revenues, all Public Transportation Fund Revenues, all amounts received from other taxes as are or shall be imposed by the Authority, all other receipts, revenues or funds granted, paid, appropriated or otherwise disbursed to the Authority from the State of Illinois or any department or agency of the State of Illinois or any unit of local government or the Federal government or from any other source, for the purpose of carrying out the Authority's responsibilities, purposes and powers, all revenues and receipts derived from the Authority's operations (including interest and other investment income) and any other revenues or receipts of the Authority. Revenues, however, shall not include Additional State Assistance, payments to the Authority from Service Boards for deposit in the Authority's joint self-insurance fund, or any Secured Government Payments or receipts from any *ad valorem* real property taxes levied by or on behalf of the Authority, to the extent such Secured Government Payments or tax receipts have been assigned or pledged by the Authority consistent with Section 909 of this Ordinance to a trustee for the purpose of paying principal, redemption price or purchase price of or interest on Separate Ordinance Obligations, or for the purpose of reimbursing a provider of a credit support instrument or reserve fund credit instrument or reinstating coverage under such an instrument in respect of Separate Ordinance Obligations for

payment made under such an instrument, or investment earnings on amounts held by such a trustee to pay debt service on or to secure Separate Ordinance Obligations.

(46) "*S&P*" shall mean Standard & Poor's Corporation, its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency, shall refer to any other nationally recognized securities rating organization designated by the Authority, by notice to the Trustee.

(47) "*Sales Tax Revenues*" shall mean all tax receipts by or on behalf of the Authority for taxes imposed by the Authority pursuant to paragraphs (e), (f) and (g) of Section 4.03 of the Act, or any taxes imposed (including by the State of Illinois) in lieu of those taxes.

(48) "*Secured Government Payments*" shall mean payments made to the Authority, or to a trustee for holders of bonds or notes of the Authority, from the State of Illinois, or from the Federal government (or any agency of the State of Illinois or the Federal government), pursuant to a contract between the Authority or a Service Board and the State of Illinois or the Federal government (or any agency of the State of Illinois or the Federal government), as described in the next two sentences of this definition. Such a contract shall provide for the payments from the State of Illinois or the Federal government (or any agency of the State of Illinois or the Federal government) to be on account of either: i) public transportation service provided by or financed by the Authority or a Service Board, or ii) public transportation facilities purchased or acquired by the Authority or a Service Board. Such a contract shall allow payments under it to be assigned or pledged to a trustee for holders of bonds or notes of the Authority. Secured Government Payments shall not mean any Public Transportation Fund Revenues, any taxes by or on behalf of the Authority collected by the Illinois Department of Revenue or any Additional State Assistance.

(49) "*Separate Ordinance Obligations*" shall mean any bonds or notes of the Authority, whether or not issued under Section 4.04 of the Act, as amended from time to time, the authorizing ordinance for which bonds or notes states that they are not issued pursuant to this Ordinance, and which bonds or notes are secured by a pledge or assignment of Secured Government Payments or *ad valorem* property tax receipts.

(50) "*Serial Bonds*" shall mean Bonds which mature in annual installments of principal (which need not be equal) and not pursuant to Sinking Fund Installments.

(51) "*Series*" shall mean a series of Authority Obligations authorized by a Series Ordinance.

(52) "*Series Ordinance*" shall mean an ordinance of the Authority authorizing the issuance of a Series of Bonds or Notes in accordance with the terms and provisions of this Ordinance.

(53) "*Service Board*" shall mean the Chicago Transit Authority, the Commuter Rail Division of the Authority or the Suburban Bus Division of the Authority.

(54) "*Sinking Fund Installments*" shall mean, with respect to any date, the principal amount of Term Bonds of any Series which are required to be redeemed by the Authority on that date pursuant to and in the amounts provided by the Series Ordinance for that Series, or which are required to be paid at maturity and not required previously to be redeemed.

(55) "*Subordinate Obligation*" shall mean any obligation of the Authority for borrowed money, other than Authority Obligations, including without limitation, installment purchase contracts, equipment trust certificates or reimbursement agreements, which obligations are by their terms payable from Trusteed Money, or other receipts, revenues and funds which are pledged to the Trustee for Authority Obligations under this General Ordinance, and which are available to the Authority only after all required deposits and credits have been made to the various Accounts in the Debt Service Fund for Authority Obligations.

(56) "*Supplemental Ordinance*" shall mean an ordinance supplemental to this Ordinance adopted by the Authority in accordance with Article X of this Ordinance.

(57) "*Term Bonds*" shall mean Bonds payable pursuant to Sinking Fund Installments.

(58) "*Treasurer*" shall mean the Treasurer of the Authority.

(59) "*Trustee*" shall mean Continental Illinois National Bank and Trust Company of Chicago, as Trustee under this Ordinance, or its successor as such Trustee.

(60) "*Trusteed Money*" shall mean the Sales Tax Revenues, Public Transportation Fund Revenues and any other money or funds which may be assigned by the Authority for direct payment to the Trustee. It also means all amounts held by the Trustee in the Debt Service Fund and the Debt Service Reserve Fund pursuant to this Ordinance, a Series Ordinance or a Supplemental Ordinance.

(61) "*Working Cash Fund*" shall mean the Working Cash Fund established in Section 502 of this Ordinance.

(62) "*Working Cash Notes*" shall mean any of the Authority's general obligation Working Cash Notes issued pursuant to the Act, this Ordinance and a Series Ordinance.

Except where the context requires otherwise, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, counties, municipalities, units of local government and other governmental bodies.

Section 102. Findings. It is found and declared by the Board of Directors of the Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois (the "*Authority*") as follows:

(a) The Authority has been established pursuant to the Act as a unit of local government, body politic, political subdivision and municipal corporation for the

purposes of providing for, aiding and assisting public transportation in the northeastern area of the State of Illinois without impairing the overall quality of existing public transportation.

(b) The Authority has been authorized by the Act to borrow money and to issue its negotiable bonds or notes as provided in the Act.

(c) It is necessary and in the best interests of the Authority and the public for the Authority to establish by this Ordinance issues of its Regional Transportation Authority General Obligation Bonds, Regional Transportation Authority Bond Anticipation Notes and Regional Transportation Authority Working Cash Notes and to provide for the issuance from time to time of those or other Authority Obligations.

Section 103. Authority. This Ordinance is adopted pursuant to the provisions of the Act.

Section 104. Ordinance and Series Ordinances Constitute Contract. In consideration of the purchase and acceptance of any Authority Obligations issued under this Ordinance by their Holders from time to time, this Ordinance shall constitute a contract between the Authority and the Holders of the Authority Obligations. The pledges, grants, assignments, covenants, liens and security interests provided for and set forth in this Ordinance to be performed by the Authority shall be for the benefit, protection and security of the Holders of any and all of the Authority Obligations. Each Series Ordinance shall constitute a contract between the Authority and the Holders of the Authority Obligations of that Series.

Section 105. Pledge and Agreement of State of Illinois. By the Act, the State of Illinois pledges to and agrees with the Holders of the Authority Obligations that the State will not limit or alter the rights and powers vested in the Authority by the Act so as to impair the terms of any contract made by the Authority with the Holders or in any way impair the rights and remedies of the Holders until the Authority Obligations, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the Holders, are fully met and discharged. In addition, by the Act the State of Illinois pledges to and agrees with the Holders of the Authority Obligations that the State of Illinois will not limit or alter the basis on which State of Illinois funds are to be paid to the Authority as provided in the Act, or the use of such funds, so as to impair the terms of any such contract.

Section 106. Appropriation. This Ordinance and each Series Ordinance shall constitute a continuing appropriation of all amounts deposited or to be deposited in each Fund and Account established by this Ordinance to be used for the purposes specified in this Ordinance with respect to each such Fund or Account.

ARTICLE II AUTHORIZATION AND ISSUANCE OF AGENCY OBLIGATIONS

Section 201. Authorization of Authority Obligations. (1) There is authorized and created by this Ordinance an issue of bonds of the Authority, to be known and designated as Regional

Transportation Authority General Obligation Bonds. The Bonds may be issued from time to time in Series, as provided by Series Ordinances. The Bonds may be issued for any purpose which under the Act, including as it may be amended from time to time, bonds of the Authority may lawfully be issued.

(2) There is also authorized and created under this Ordinance an issue of notes of the Authority, in anticipation of the issuance of Bonds, to be known and designated as Regional Transportation Authority Bond Anticipation Notes. The Bond Anticipation Notes may be issued from time to time in Series, as provided by Series Ordinances. The Bond Anticipation Notes may be issued for any purpose which under the Act, including as it may be amended from time to time, bond anticipation notes of the Authority may lawfully be issued.

(3) There is also authorized and created under this Ordinance an issue of notes of the Authority to be known and designated as Regional Transportation Authority Working Cash Notes. The Working Cash Notes may be issued from time to time in Series, as provided by Series Ordinances. The Working Cash Notes may be issued for any purpose which under the Act, including as it may be amended from time to time, Working Cash Notes of the Authority may lawfully be issued.

(4) There may also be authorized and created by Series Ordinances issues of other Authority Obligations, for such purpose and with such designation and to be issued from time to time in Series as provided in the Series Ordinances, and as allowed by the Act, as amended from time to time.

Section 202. Authority Obligations Not Obligations of State of Illinois. The Authority Obligations shall not be deemed to constitute a debt of the State of Illinois. That fact shall be stated on the face of each Authority Obligation.

Section 203. Provisions for Issuance of Authority Obligations. The Authority Obligations may be issued in one or more Series. The issuance of the Authority Obligations shall be authorized by one or more Series Ordinances of the Authority adopted subsequent to this Ordinance.

The Authority Obligations of each Series shall be executed by the Authority for issuance under the Ordinance and delivered to the Trustee, authenticated by the Trustee, and delivered by the Trustee to the Authority or upon its order, but only upon the receipt by the Trustee of:

(1) A Counsel's Opinion of nationally recognized bond counsel to the effect that (a) the Authority has the legal right and power to adopt the Ordinance and the Series Ordinance pertaining to that Series of Authority Obligations, and the Ordinance has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority, (b) the Series Ordinance pertaining to the Series of Authority Obligations being issued has been duly and lawfully adopted, is in full force and effect and is valid and binding and conforms to the requirements of this Ordinance for such Series Ordinance, and (c) the Authority Obligations of such Series are valid and binding Obligations of the Authority as provided in the Ordinance and are entitled to the benefits

of the Ordinance and of the Act as amended to the date of such Counsel's Opinion, and that such Authority Obligations have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such Counsel's Opinion, and are in accordance with this Ordinance.

(2) A written order as to the delivery of such Series of Authority Obligations, signed by an Authorized Officer.

(3) In the case of each Series of Authority Obligations, a copy of the Series Ordinance authorizing such Authority Obligations, certified by the Secretary, which Series Ordinance shall specify:

(a) The authorized principal amount of that Series of Authority Obligations;

(b) The purposes for which the Series of Authority Obligations is being issued, which may be for any purpose for which the Authority by law is (or may, at the time of issuance of such Series of Authority Obligations, be) authorized to issue such Series of Authority Obligations;

(c) The maturity dates and amounts of each maturity and the first interest payment date of the Authority Obligations of the Series and the date of the initially issued Authority Obligations of the Series;

(d) The interest rate or rates for such Series of Authority Obligations or the manner of determining such rate or rates and the dates on which interest is to be paid;

(e) The denomination or denominations of, and the manner of numbering and lettering the Authority Obligations of such Series, provided that each Authority Obligation shall be of the denomination of \$5,000 or an integral multiple of that principal amount, not exceeding the aggregate principal amount of the Authority Obligations of such Series maturing on the date of maturity of the Authority Obligation for which the denomination is to be specified;

(f) The Paying Agents or the method of appointing the Paying Agents and the place or places of payment of the principal, Redemption and Purchase Prices, if any, of and interest on the Authority Obligations of such Series;

(g) The Redemption and Purchase Prices, if any, and, subject to Article IV of this Ordinance, the redemption and purchase terms, if any, for the Authority Obligations of such Series;

(h) The provisions for the sale of the Authority Obligations of such Series;

- (i) The forms of the Authority Obligations of such Series;
- (j) The manner in which the Authority Obligations of such Series are to be executed, including provisions for authentication of such Series of Authority Obligations;
- (k) In the case of a Series Ordinance authorizing a Series of Bonds, the amount and due date of each Sinking Fund Installment for Term Bonds of such Series of Bonds, if any;
- (l) The name of the Account to be established or maintained in the Debt Service Fund with respect to such Series of Authority Obligations and the monthly deposit requirements to that Account in the Debt Service Fund for the Truited Money and other amounts deposited or required to be deposited in the Debt Service Fund, as provided in Section 605 of this Ordinance;
- (m) The credit, if any, against Sinking Fund Installments, upon a purchase or redemption of Bonds, as provided in Section 605 of this Ordinance;
- (n) The deposit of any capitalized interest and accrued interest to the Debt Service Fund;
- (o) Any additional money or funds assigned for direct payment to the Trustee for making required deposits in the Debt Service Fund; and
- (p) The name of any Account to be established in the Working Cash Fund or the Capital Assets Fund, whether the Trustee or the Authority shall hold that Account and any method of disbursement or amounts to be held by the Trustee.

Bonds of a Series may be either Serial Bonds or Term Bonds, or a combination of Serial and Term Bonds. Each Series Ordinance shall provide for principal maturities or Sinking Fund Installments or both, as the case may be. All Authority Obligations of each such Series of like maturity shall be identical in all respects, except as to denominations and numbers and letters.

(4) A deposit, in connection with the issuance of any Bonds, of the amount, if any, necessary to be deposited in the Debt Service Reserve Fund so that the value of the Account in the Debt Service Reserve Fund securing such Bonds shall at least equal the Reserve Requirement for such Account calculated immediately after the delivery of such Series of Bonds (including in such deposit any Reserve Fund Credit Instrument provided so to be deposited in such Account in the Debt Service Reserve Fund by the relevant Series Ordinance, such instrument being valued as determined in accordance with Section 702 of this Ordinance).

(5) Such further documents as are required by the provisions of this Ordinance or by any Series Ordinance or any Supplemental Ordinance adopted pursuant to Article X of this Ordinance.

ARTICLE III GENERAL TERMS AND PROVISIONS OF AGENCY OBLIGATIONS

Section 301. Medium of Payment; Form and Date. (1) Principal of, interest on and the Redemption and Purchase Prices of the Authority Obligations shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Any Series Ordinance may also provide that any Authority Obligations issued thereunder may be payable in any form of foreign currency described therein. The Authority Obligations are authorized to be issued in the form of fully registered bonds or notes without coupons.

(2) Initially issued Authority Obligations of each Series shall be dated as of the date specified for those Authority Obligations in the Series Ordinance authorizing their issuance. Authority Obligations of each Series exchanged or transferred before the first interest payment date for that Series shall be dated as of the date specified in the Series Ordinance for initially issued Authority Obligations of that Series. Authority Obligations delivered in exchange for other Authority Obligations on or after that first interest payment shall be dated as of their date of exchange or transfer if exchanged or transferred on an interest payment date, or if not exchanged or transferred on such a date, shall be dated as of the interest payment date next preceding their date of exchange or transfer. However, notwithstanding the previous sentence, if the interest on such Authority Obligations shall be in default, as shown by the records of the Trustee, Authority Obligations delivered in fully registered form in exchange or transfer for Authority Obligations exchanged or transferred in default shall be dated as of the date specified in the Series Ordinance for initially issued Authority Obligations of that Series, or the date to which interest has been paid in full on the Authority Obligations surrendered, whichever date is later. The Authority Obligations shall bear interest from their date. All Authority Obligations of each Series shall mature and each Sinking Fund Installment shall fall due on semiannual or annual maturity dates specified by the related Series Ordinance. Interest on all Authority Obligations of each Series shall be payable on such dates specified by a Series Ordinance. The first interest payment date on the Authority Obligations of a Series shall be such date as the Authority shall specify by the related Series Ordinance.

Section 302. Negotiability, Transfer and Registry. All the Authority Obligations issued under this Ordinance shall, as provided in the Act, be negotiable, subject to the provisions for registration and transfer contained in this Ordinance and in the Authority Obligations. So long as any of the Authority Obligations shall remain Outstanding, the Authority shall maintain and keep, at the corporate trust office of the Trustee, books for the registration and transfer of Authority Obligations. Upon presentation of any Authority Obligation for registration and transfer at that office, the Authority shall register or cause to be registered in those books, and shall permit to be transferred on those books, under such reasonable regulations as it or the Trustee may prescribe, any Authority Obligation entitled to registration or transfer. So long as any of the Authority Obligations remain Outstanding, the Authority shall make all necessary

provisions to permit the transfer and exchange of Authority Obligations pursuant to this Ordinance at the corporate trust office of the Trustee. The Trustee is appointed Authority Obligations Registrar for the Authority Obligations.

Section 303. Transfer of Authority Obligations. (1) Each Authority Obligation shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the corporate trust office of the Trustee. Such a transfer may be made by the Holder of the Authority Obligation in person or by the Holder's agent duly authorized in writing, upon surrender of the Authority Obligation together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder, or such Holder's duly authorized agent. Upon the transfer of any such Authority Obligation, the Authority shall execute (and cause to be authenticated by the Trustee) and deliver a new Authority Obligation or Authority Obligations registered as directed by the instrument of transfer, of the same Series, aggregate principal amount and maturity as the surrendered Authority Obligations.

(2) The Authority and the Trustee may deem and treat the person in whose name any Authority Obligation shall be registered upon the books of the Authority as the absolute owner of such Authority Obligation, whether such Authority Obligation shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price and Purchase Price, if any, of and interest on such Authority Obligation and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effective to satisfy and discharge the liability upon such Authority Obligation to the extent of the sum or sums so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. The Authority agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Ordinance in so treating such Holder.

Section 304. Regulations with Respect to Transfer. In all cases, in which the privilege of transferring Authority Obligations is exercised, the Authority shall execute and cause to be authenticated and the Trustee shall deliver Authority Obligations in accordance with the provisions of this Ordinance. All Authority Obligations surrendered in any such transfers shall forthwith be cancelled by the Trustee. For every such transfer of Authority Obligations, whether temporary or definitive, the Authority or the Trustee may take a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Authority, required to be paid with respect to such transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. No other charge shall be made by the Authority or the Trustee as a condition precedent to such transfer. The cost of preparing each new Authority Obligation upon each transfer, and any other expenses of the Authority or the Trustee incurred in connection with the transfer (except any applicable tax, fee or other governmental charge, other than one imposed by the Authority), shall be paid by the Authority. The Authority shall not be obliged to make any such transfer of Authority Obligations of any Series during the fifteen (15) days next preceding an interest payment date on the Authority Obligations of that Series or to make any such transfer in the case of any Authority Obligation proposed to be redeemed after the selection by the Trustee of such Authority Obligation for redemption.

Section 305. Authority Obligations Mutilated, Destroyed, Stolen or Lost. In the case any Authority Obligation of any Series shall become mutilated or be destroyed, stolen or lost, the Authority shall execute and cause to be authenticated and delivered by the Trustee a replacement Authority Obligation of like Series, maturity and principal amount as the Authority Obligation so mutilated, destroyed, stolen or lost (but numbered or lettered so as to indicate that it is a replacement Authority Obligation), in exchange and substitution for such mutilated Authority Obligation, upon surrender and cancellation of such mutilated Authority Obligation or in lieu of and in substitution for the Authority Obligation destroyed, stolen or lost, upon filing with the Authority of evidence satisfactory to the Authority and the Trustee that such Authority Obligation has been destroyed, stolen or lost and proof of ownership of such Authority Obligation, and upon furnishing the Authority with indemnity satisfactory to it and complying with such other reasonable regulations as the Authority may prescribe and paying such expenses as the Authority may incur. All mutilated Authority Obligations so surrendered to the Authority shall be cancelled by it. An Authorized Officer shall advise the Trustee and Paying Agents of the issuance of substitute Authority Obligations.

Section 306. Preparation of Definitive Authority Obligations; Temporary Authority Obligations. Until definitive Authority Obligations of any series are prepared, the Authority may execute and cause to be authenticated by the Trustee in the same manner as is provided in this Ordinance, and deliver, in lieu of definitive Authority Obligations, but subject to the same provisions, limitations and conditions, as the definitive Authority Obligations (except as to the denominations) one or more temporary Authority Obligations, substantially of the tenor of the definitive Authority Obligations in lieu of which such temporary Authority Obligations or Authority Obligations are issued, in denominations of \$5,000 or any integral multiples of that amount authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Authority Obligations. The Chairman or other Authorized Officer is authorized to enter into such agreements as may be necessary or desirable with the purchasers of any Authority Obligations for issuance of such temporary Authority Obligations. The Authority at its own expense shall prepare, execute and cause to be authenticated by the Trustee and, upon the surrender of such temporary Authority Obligations, for which no payment or only partial payment has been provided, for exchange and the cancellation of such surrendered temporary Authority Obligations, without charge to the holder of such Authority Obligations, shall deliver in exchange, at the corporate trust office of the Trustee, definitive Authority Obligations. Until so exchanged, the temporary Authority Obligations shall in all respects be entitled to the same benefits and security as definitive Authority Obligations issued pursuant to this Ordinance. All temporary Authority Obligations surrendered in exchange for a definitive Authority Obligation or Authority Obligations shall then be promptly cancelled by the Trustee.

Section 307. Provisions of Series Ordinances. Any Series Ordinance may provide for a record date for Authority Obligations of that Series, so that the principal, interest and Redemption Price, or any of them, may be payable to the person in whose name the Authority Obligation is registered on the record date. A Series Ordinance establishing a record date may also make provisions consistent with the record date provision relating to the period of time prior to the interest payment date during which exchange or transfer of that Series of Authority Obligations shall not be required to be made by the Authority. Any Series Ordinance may also include any other provision governing the form, transfer, registration, purchase or exchange of

Authority Obligations of that Series, whether or not consistent with the provisions of this Article III, provided that the provisions do not in any way adversely affect the rights of Holders of any of the Outstanding Authority Obligations.

ARTICLE IV REDEMPTION OF AUTHORITY OBLIGATIONS

Section 401. Privilege of Redemption and Redemption Price. Authority Obligations subject to redemption prior to maturity pursuant to the provisions of a Series Ordinance shall be redeemable, upon such notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms as may be specified in the Series Ordinance authorizing such Series.

Section 402. Redemption at the Election of the Authority. In the case of any redemption of Authority Obligations at the option of the Authority, an Authorized Officer shall give written notice to the Trustee of the Authority's election so to redeem such Authority Obligations, of the redemption date, of the Series, of the principal amounts of the Authority Obligations of such maturity of such Series so to be redeemed (the Series, maturities and principal amounts of the Authority Obligations to be redeemed to be determined by the Authority, subject to the limitations with respect to such determination contained in this Ordinance and any Series Ordinance) and of the moneys to be applied to the payment of the Redemption Price and the interest accrued and unpaid on the principal amount of the Authority Obligations to be redeemed to the redemption date. Except to the extent otherwise provided for any Series of Authority Obligations in the Series Ordinance authorizing that Series of Authority Obligations, that notice shall be given at least sixty (60) days prior to the redemption date or such shorter period (not less than thirty (30) days) as shall be acceptable to the Trustee. In the event any required notice of redemption shall have been given as provided in Section 405 of this Ordinance, the Trustee shall, if it holds the moneys to be applied to the payment of the Redemption Price and the interest to the redemption date accrued and unpaid on the principal amount of the Authority Obligations to be redeemed or, if the Trustee does not hold such moneys, the Authority shall, prior to the redemption date, pay to the Trustee and the appropriate Paying Agents an amount in cash which, together with other moneys, if any, available for that payment held by the Trustee and those Paying Agents, will be sufficient to redeem all of the Authority Obligations to be redeemed, on the redemption date and at the Redemption Price for those Authority Obligations together with accrued and unpaid interest on those Authority Obligations to the redemption date. The Authority shall promptly notify the Trustee in writing of all such payments made by the Authority to a Paying Agent other than the Trustee.

Section 403. Redemption Otherwise Than at Authority's Election. Whenever by the terms of this Ordinance or any Series Ordinance the Authority is required to redeem Authority Obligations pursuant to Sinking Fund Installments or otherwise, the Trustee shall select in accordance with the provisions of Section 404 of this Ordinance the Authority Obligations to be redeemed, give any required notice of redemption and pay out the Redemption Price and interest accrued and unpaid to the redemption date on those Authority Obligations to itself and the appropriate Paying Agents in accordance with the terms of this Article IV in order to effect such redemption.

Section 404. Selection of Authority Obligations to be Redeemed by Lot. In the event of redemption of less than all of the Authority Obligations of any Series and maturity, the Trustee shall assign to each Authority Obligation of the Series and maturity to be redeemed a distinctive number of each \$5,000 of the principal amount of such Authority Obligation. The Trustee shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to those Authority Obligations as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Authority Obligations of such Series and maturity to be redeemed. The Authority Obligations to be redeemed shall be the Authority Obligations in fully registered form to which were assigned numbers so selected; *provided, however,* that only so much of the principal amount of each such Authority Obligation in fully registered form 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.

Section 405. Notice of Redemption. When the Trustee shall receive notice from an Authorized Officer of the Authority's election to redeem Authority Obligations pursuant to Section 402 of this Ordinance, or when redemption of Authority Obligations is required by this Ordinance pursuant to Section 403 of this Ordinance, the Trustee shall give notice, in the name of the Authority, of the redemption of such Authority Obligations except to the extent otherwise provided for any Series of Authority Obligations if the Series Ordinance authorizing that Series of Authority Obligations. The notice shall specify the Series and maturities of the Authority Obligations 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 Authority Obligations of any Series and maturity are to be redeemed, the letters and numbers of such Authority Obligations so to be redeemed. In the case of Authority Obligations to be redeemed in part only, the notice shall also specify the respective portions of the principal amount to be redeemed. The notice shall further state that on the redemption date there shall become due and payable upon each Authority Obligation the Redemption Price of the specified portions of the principal to be redeemed, together with unpaid interest accrued to the redemption date on the principal of the Authority Obligations to be redeemed, and that from and after that date interest on such principal amount shall cease to accrue and be payable. The Trustee shall mail a copy of the notice, except to the extent otherwise provided for any Series of Authority Obligations in the Series Ordinance authorizing that Series of Authority Obligations, first class postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the Holders of any Authority Obligations or portions of Authority Obligations which are to be redeemed at their last addresses, if any, appearing upon the registry books of the Authority, but such mailing shall not be a condition precedent to such redemption and the failure of any Holder to receive any such notice shall not affect the validity of the proceedings for the redemption of Authority Obligations.

Section 406. Payment of Redeemed Authority Obligations. Notice having been given in the manner provided in Section 405 of this Ordinance, the Authority Obligations or portions of Authority Obligations so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date on the principal of the Authority Obligations to be redeemed, and, upon presentation and surrender of such Authority Obligations at the offices specified in such notice, together with, in the case of Authority Obligations presented by other than the Holder, a written instrument of

transfer duly executed by the Holder or that Holder's duly authorized attorney, such Authority Obligations, or portions of such Authority Obligations, as the case may be, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date on the Authority Obligations to be redeemed. If there shall be selected for redemption less than all of the principal amount of an Authority Obligation, the Authority shall execute and deliver, upon the surrender of such Authority Obligation, without charge to the Holder of that Authority Obligation, for the unredeemed portion of the principal amount of the Authority Obligation so surrendered, Authority Obligations of like Series and maturity at any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Authority Obligations or portions of the Authority Obligations of any Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Trustee and Paying Agents so as to be available for that redemption on that date and if notice of redemption shall have been given as provided in this Article, then, from and after the redemption date, interest on the Authority Obligations or portions of Authority Obligations of such Series and maturity so called for redemption shall cease to accrue and become payable. If those moneys shall not be so available on the redemption date, such Authority Obligations or portions of such Authority Obligations shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V CUSTODY AND APPLICATION OF PROCEEDS

Section 501. Establishment of Capital Assets Fund. The Capital Assets Fund is established as a separate and distinct fund and is to be used as provided in this Ordinance and any Series Ordinances authorizing the issuance of Bonds or Notes other than Working Cash Notes. All proceeds of any Series of Authority Obligations which are designated by the Series Ordinance authorizing the issuance of that Series of Authority Obligations to be used for Capital Asset Purposes may be deposited in the Capital Assets Fund. The Authority may, in the Series Ordinance authorizing any such Series of Authority Obligations, provide for the creation of separate and distinct accounts within the Capital Assets Fund, to be used as provided in the Series Ordinance. All moneys deposited in the Capital Assets Fund shall be held by either the Trustee or the Authority as shall be directed by the Series Ordinance and shall be disbursed as provided in the applicable Series Ordinance. All interest and other investment income earned on the Capital Assets Fund shall be deposited in the Capital Assets Fund (to the credit of the Accounts within the Capital Assets Fund, if any, on the basis of their contribution to the cost of the relevant investment). If a Series Ordinance provides for money deposited in any Account in the Capital Assets Fund to be held by the Trustee, those amounts, and interest and other investment income on those amounts, shall be disbursed as provided in that Series Ordinance. No Series Ordinance so providing such deposits to be held by the Trustee shall be effective without the consent of the Trustee as to that deposit and method of disbursement.

Section 502. Establishment of Working Cash Fund. The Working Cash Fund is established as a separate and distinct fund and is to be used as provided in this Ordinance and the Series Ordinance authorizing the issuance of Working Cash Notes, to pay Costs of Issuance and Operating Expenses to cover anticipated cash flow deficits. All proceeds of any Series of Working Cash Notes, which are designated by the Series Ordinance authorizing the issuance of

that Series of Notes to be used for Costs of Issuance or Operating Expenses, may be deposited in the Working Cash Fund. The Authority may, in the Series Ordinance authorizing any such Series of Notes, provide for the creation of separate and distinct Accounts within the Working Cash Fund, to be used as provided in the Series Ordinance. All moneys deposited in the Working Cash Fund shall be held by the Trustee or the Authority as shall be directed in the Series Ordinance and shall be disbursed as provided in the applicable Series Ordinance. All interest and other invested income earned on the Working Cash Fund shall be deposited as received in the Working Cash Fund (to the credit of the accounts within Working Cash Fund, if any, on the basis of their contribution to the cost of the relevant investment), and may be applied by the Authority in the manner provided in the Series Ordinance. If a Series Ordinance provides for money deposited in any Account in the Working Cash Fund to be held by the Trustee, those amounts, and interest and other investment income on those amounts, shall be disbursed as provided in that Series Ordinance. No Series Ordinance so providing such deposits to be held by the Trustee shall be effective without the consent of the Trustee as to that deposit and method of disbursement.

Section 503. Establishment of Additional Funds. The Authority may, in the Series Ordinance authorizing the issuance of any Series of Authority Obligations, establish additional Funds to be held, invested and disbursed by the Trustee as provided in the Series Ordinance.

ARTICLE VI NATURE AND SOURCE OF PAYMENT OF AUTHORITY OBLIGATIONS; ESTABLISHMENT AND APPLICATION OF DEBT SERVICE FUND

Section 601. Nature and Source of Payment of Authority Obligations. All Authority Obligations shall be general obligations of the Authority to which shall be pledged the full faith and credit of the Authority. All Authority Obligations shall be superior to and have priority over any other obligations of the Authority, except Separate Ordinance Obligations to the extent under the Act and their authorizing ordinances they have a prior claim to Secured Government Payments or *ad valorem* property tax receipts. Authority Obligations shall be payable as to principal, Redemption Price, Purchase Price and interest from all Revenues and from all Funds received or held by the Authority, including, without limitation, amounts in the appropriate accounts of the Debt Service Fund and Debt Service Reserve Fund with respect to a Series of Authority Obligations, or otherwise on hand at the Authority, which are in any event legally available to be so applied. Authority Obligations shall not be payable from Additional State Assistance, amounts in the Authority's joint self-insurance fund or from amounts required by ordinances, adopted consistent with Section 906 of this Ordinance, authorizing Separate Ordinance Obligations to be on deposit in any debt service fund or debt service reserve fund for such Separate Ordinance Obligations or from amounts payable upon any credit support instrument or reserve fund credit instrument in respect of Separate Ordinance Obligations.

Section 602. Establishment of Debt Service Fund. The Debt Service Fund is established as a separate and distinct fund, to be maintained by the Trustee in trust for the Holders from time to time of the Authority Obligations, and shall be invested and used, all as provided by this Ordinance. This trust shall be irrevocable so long as any of the Authority Obligations are outstanding. All receipts of Trueteed Money shall be deposited by the Trustee in the Debt

Service Fund or, as provided in this Ordinance, in the Debt Service Reserve Fund. Other Revenues and funds of the Authority shall be deposited in the Debt Service Fund and the Debt Service Reserve Fund as required by this Ordinance and any Series Ordinance.

Section 603. Creation of Accounts. The Authority shall, in the Series Ordinance authorizing the issuance of any Series of Authority Obligations, provide for the establishment of separate Accounts within the Debt Service Fund relating to particular Series of Authority Obligations. Amounts deposited in each month in the Debt Service Fund shall be credited to and deposited by the Trustee in the various Accounts in the Debt Service Fund as provided in Section 605. The creation of separate Accounts in the Debt Service Fund for particular Series of Authority Obligations shall not create any preference of one Series of Authority Obligations over any other Series, except that amounts required to be deposited in any Account of the Debt Service Fund secure and shall be used for only the Authority Obligations with respect to which the Account is established. The deposits to be made to the various Accounts shall be made each month proportionately on the basis of the amounts required to be deposited in each Account. The investments and deposits of any of the various Accounts in the Debt Service Fund may be commingled with any other of those Accounts, except as provided with respect to Rebate Accounts in Section 702 of this Ordinance. There is established in the Debt Service Fund a separate Rebate Account with respect to each Series of Authority Obligations issued after November 1, 1986.

Section 604. Deposits and Credits to the Accounts. (1) From all amounts paid or deposited in the Debt Service Fund the Trustee shall make the deposits and credits to the various Funds and Accounts as provided in this Section.

(2) In each Series Ordinance establishing an Account in the Debt Service Fund, the Authority shall provide a monthly deposit requirement with respect to such Account (other than the Rebate Account). Amounts deposited in the Debt Service Fund in respect of a monthly deposit requirement for an Account shall be credited to that account. The monthly deposit requirement may be expressed in absolute dollar terms or as a formula, but shall provide for the deposit of amounts sufficient to pay the principal, Redemption Price and Purchase Price of, and interest on the Authority Obligations of the relevant Series as those amounts come due. With respect to Authority Obligations for which a redemption or purchase requirement is provided to be paid through a Credit Support Instrument the Series Ordinance need not set forth specific deposit requirements in respect of those amounts, but the Authority shall make, in any event, deposits in the Debt Service Fund sufficient to meet all obligations of Authority with respect to those requirements.

(3) The deposit requirements with respect to each Series of Authority Obligations for each month while they are Outstanding shall not be less than the amounts specified in this paragraph in respect of interest and of principal.

(a) The amount in respect of interest shall not be less than the product of the interest coming due on the next interest payment date on that Series and a fraction, the numerator of which is one and the denominator of which is the number of months less one from the preceding interest payment date on that Series or, in respect of interest on

the first interest payment date, from the date of delivery of the Series to that next interest payment date, until the full amount of that interest on the next interest payment date has been provided so to be deposited. The deposit requirements in respect of interest may be reduced (including to zero) to the extent that amounts specified in a Series Ordinance pursuant to Section 203(3)(n) are deposited in the Debt Service Fund to the credit of the Account in that Fund. With respect to Authority Obligations which will bear interest at variable rates, the monthly deposit requirements in respect of interest shall be calculated as provided in the Series Ordinance.

(b) The amount in respect of principal, except for the first principal payment date for a Series, shall not be less than the product of the principal coming due (whether at maturity or pursuant to Sinking Fund Installments) on the next such principal payment date and a fraction, the numerator of which is one and the denominator is the number of months less one from the preceding principal payment date to the next principal payment date until the full amount of that principal on the next principal payment date has been provided so to be deposited. The amount in respect of principal on the first principal payment date shall be the amounts specified in the Series Ordinance for that Series, which shall be sufficient so that the full amount of that principal shall have been provided to have been deposited (based on dates for deposit of Sales Tax Revenues as anticipated by the Board) not less than 20 days prior to that principal payment date.

(c) With respect to Authority Obligations for which there is a purchase, mandatory redemption or similar requirement which is provided to be paid through a Credit Support Instrument, the required deposits described in paragraph (3) in respect of principal shall be based on scheduled principal payments (at maturity or pursuant to Sinking Fund Installments) and not based on purchase, redemption or similar requirements provided so to be paid through such an instrument.

(4) There shall be deposited in the Debt Service Fund to the credit of the Rebate Accounts, after there are no deficiencies in any of the other Accounts in the Debt Service Fund or the Debt Service Reserve Fund, the amounts as shall be required to be held available for rebate to the United States of America with respect to each Series of Authority Obligations. The amount so to be held available shall be determined from time to time by the Authority pursuant to the Series Ordinances, as certified by an Authorized Officer to the Trustee.

(5) In any period in which there is any deficiency in any Account in the Debt Service Fund, the amount of the deficiency shall be added to and be a part of the monthly deposit requirement for such Account for that and all succeeding periods until there no longer remains any such deficiency.

(6) In any month after all of the required deposits and credits to all Accounts in the Debt Service Fund have been made (other than the Rebate Accounts) and there is no deficiency in any of the Accounts (other than the Rebate Accounts), the Trustee shall pay from the Debt Service Fund proportionately to the Accounts in the Debt Service Reserve Fund any remaining amounts in the Debt Service Fund until the value of each Account in the Debt Service Reserve Fund, calculated as provided in Section 702 of this Ordinance, shall equal the Reserve

Requirement for such Account, and then shall credit to the Rebate Accounts proportionately until there are no deficiencies in any such Accounts, and then shall pay any remaining amounts in the Debt Service Fund after all of the required deposits and credits to all accounts in the Debt Service Fund (including the Rebate Accounts) have been made and there are no deficiencies in any such Accounts, to the Authority, or upon the Authority's direction.

(7) If for any reason in any month the required deposits and credits are not made to the Debt Service Fund and all Accounts in it and to the Debt Service Reserve Fund and all Accounts in it, then the Authority shall immediately deposit with the Trustee any and all other money and funds which it has on hand or available to it, from which Authority Obligations are payable as provided in Section 601 of this General Ordinance, to make up such deficiency which lawfully may be so used. The Trustee shall deposit in and credit such funds first to the Debt Service Fund Accounts other than the Rebate Accounts, proportionately on the basis of the amount of the deficiency in each such Account, then to the Debt Service Reserve Fund Accounts proportionately on the basis of the amount of the deficiency in each such Account, and then proportionately to the Rebate Accounts. The Authority shall not use any such other moneys or funds for any other purpose until such deficiency is made.

(8) If for any reason in any month the required deposits and credits are not made to the Debt Service Fund and all Accounts in it and to the Debt Service Reserve Fund and all Accounts in it by the last date in the month in which the Sales Tax Revenues are normally received by the Trustee, and in any event by the 25th day of the month, then the Trustee shall so notify the Authority and, whether or not it receives that notice, the Authority shall make all required deposits as provided in paragraph (7) of this Section.

Section 605. Use and Withdrawal of Money from the Accounts. (1) Amounts deposited in or credited to the Accounts in the Debt Service Fund, subject to investment as provided in Article VII, shall be used only as provided in this Section 605.

(2) The Trustee shall pay first out of the Account (other than the Rebate Account) and then out of the Rebate Account, in each case pertaining to each Series of Authority Obligations to the Paying Agents for that Series of Authority Obligations, on the business day preceding each interest payment date or principal payment date (whether at maturity or pursuant to Sinking Fund Installments), or mandatory redemption date or date of required purchase, not being made through a Credit Support Instrument, an amount equal to the principal, Redemption Price and Purchase Price and interest to the Series of Authority Obligations, coming due on the following business day. If no Paying Agent is provided by a Series Ordinance for payment of any particular amounts on any Authority Obligation the Trustee shall pay the amount due directly to the Holders of those Authority Obligations. In lieu of making payments to a Paying Agent on the business day prior to the day that a payment with respect to Authority Obligations are due, the Trustee at the direction of the Treasurer or other Authorized Officer, and with the approval of the Paying Agent, may on that prior business day deposit Investment Obligations maturing on the day of payment sufficient for that payment.

(3) The Trustee shall use, upon the written direction of the Treasurer or other Authorized Officer of the Authority, amounts in any account, other than a Rebate Account, to

purchase Authority Obligations of the Series to which such Account pertains at a price not in excess of the principal amount (or Compound Accreted Value with respect to Authority Obligations sold at a discount in excess of 2%) plus accrued interest to the date of purchase; *provided, however*, that amounts in an Account may be so used only if after any purchase there shall remain on deposit in such Account an amount equal to the amount which would have been required to have been deposited had the purchased Authority Obligations never been Outstanding. The principal amount of the Authority Obligations so purchased shall be applied against the Sinking Fund Installments for the Series of Authority Obligations purchased as provided in the Series Ordinance authorizing the issuance of that Series.

(4) Amounts in Rebate Accounts shall be used at the direction of an Authorized Officer to make rebate payments to the United States of America. Amounts in a Rebate Account in excess of the amounts which the Authority shall determine is needed for making rebates, shall no longer be required to be deposited in that Rebate Account and shall be treated as provided in paragraph (5) of this Section.

(5) In each month, the Trustee, upon required deposits to the Debt Service Fund and the Debt Service Reserve Fund having been made, shall immediately pay to the Authority amounts in the Debt Service Fund in excess of the then required deposits and credits in all Accounts in the Debt Service Fund.

Section 606. Debt Service Reserve Fund. (1) There is established and created a separate and distinct Fund to be maintained by the Trustee and entitled the "Bonds Debt Service Reserve Fund" (the "*Debt Service Reserve Fund*"). The Authority may, in any Series Ordinance, provide for the establishment of separate Accounts within the Debt Service Reserve Fund relating to particular Series of Bonds. The creation of separate Accounts in the Debt Service Reserve Fund for particular Series of Bonds shall not create any preference of one Series of Bonds over any other Series, except that amounts required to be deposited in any Account of the Debt Service Reserve Fund shall secure and shall be used only for the Bonds with respect to which the Account is established. Transfers or deposits to be made to the various Accounts shall be made proportionately on the basis of the amount of the deficiency in each Account prior to any such transfer or deposit. The investments and deposits of any of the various Accounts in the Debt Service Reserve Fund may be commingled with any other of those Accounts. The Authority shall pay to the Trustee for deposit in a Debt Service Reserve Fund Account that portion of the proceeds of the sale of any Series of Bonds as shall be provided by the Series Ordinance authorizing that Series of Bonds. The Trustee shall pay to and deposit in the Debt Service Reserve Fund all amounts provided to be transferred to the Debt Service Reserve Fund from the Debt Service Fund pursuant to paragraph (6) of Section 604 of this Ordinance. If for any reason in any month after the deposits to the Debt Service Fund have been made as provided in Section 604 of this Ordinance and any required transfers from that Fund to the Debt Service Reserve Fund have been made and the value of any Account in the Debt Service Reserve Fund is less than the Reserve Requirement for such Account, then the Authority shall immediately deposit with the Trustee any and all other money which it has on hand or available to it to make up the deficiency which lawfully may be so used.

(2) All amounts on deposit in any Account of the Debt Service Reserve Fund shall be held in trust for the sole benefit of the Holders of the Bonds which such Account secures and shall be applied and used solely for the payment of principal of the Bonds secured by such Account, at maturity or on Sinking Fund Installments or purchase dates, and for the payment of interest on such Bonds as it falls due, as provided in paragraph (3) of this Section, or for the purpose specified in paragraph (7) of this Section and shall not be used for any other purpose.

(3) Amounts in the respective Debt Service Reserve Fund Account shall be transferred by the Trustee to the credit of the respective Debt Service Fund Account at the times and in the amounts as required in order to pay principal of the Bonds secured by such Debt Service Reserve Fund Account at maturity or on Sinking Fund Installment or purchase dates and to pay interest on such Bonds as it falls due, if there are not sufficient amounts in the Debt Service Fund Account for that purpose.

(4) On May 1 of each year beginning in 1987, and also on each date that any refunding Bonds are issued under this Ordinance or that any Reserve Fund Credit Instrument is deposited with the Trustee, or as soon after those dates as feasible, the Trustee shall pay to and deposit in the Debt Service Fund proportionately to the credit of the various Accounts with respect to the various Series of Bonds all amounts in any Debt Service Reserve Fund Account to the extent the value of the Debt Service Reserve Fund Account is in excess of the Reserve Requirement for such Account.

(5) Whenever the Trustee shall determine that the total amount in the Debt Service Reserve Fund, together with all amounts in the Debt Service Fund (other than in Rebate Accounts), will be sufficient to pay or to redeem or to provide for the payment or redemption of all the Outstanding Bonds, the Trustee shall pay to and deposit in the Debt Service Fund to the credit of the various accounts with respect to the various Series of Bonds (other than the Rebate Accounts) such remaining amounts in the Debt Service Reserve Fund.

(6) The Debt Service Reserve Fund shall be separate and segregated from all other funds and accounts of the Authority. Cash funds and investments in the Debt Service Reserve Fund shall not be commingled with other funds or accounts of the Authority.

(7) All or any part of the Reserve Requirement may be met by deposit with the Trustee of a Reserve Fund Credit Instrument. A Reserve Fund Credit Instrument shall, for purposes of determining the value of a Debt Service Reserve Fund Account, be valued at the Reserve Fund Credit Instrument Coverage for that Reserve Fund Credit Instrument, except as provided in the next two sentences. If a Reserve Fund Credit Instrument is to terminate (or is subject to termination) prior to the last principal payment date on any Outstanding Bond secured by the Debt Service Reserve Fund Account, then the Reserve Fund Credit Instrument Coverage of that Instrument shall be reduced by the amount provided in the next sentence. The amount of the reduction shall be the amount, if any, by which the value of the Debt Service Reserve Fund Account, not counting the value of Reserve Fund Credit Instrument Coverage of that Instrument, is less than the Reserve Requirement for such Account after the first date that the Reserve Fund Credit Instrument is so to terminate (or is subject to termination); *provided, however*, if the Series Ordinance with respect to such Bonds requires deposits to be made in the Debt Service

Reserve Fund Account equal in each year, starting not less than [ten]* three years prior to the termination date, of not less than [one-tenth]* one-third the original Reserve Fund Credit Instrument Coverage of the Instrument until such deposits shall equal the amount of that original Coverage, then the reduction shall be only by that amount from time to time that deposits have so been required to have been made in the Debt Service Reserve Fund Account; and *provided further*, if by the terms of the Reserve Fund Credit Instrument and the terms of the related Series Ordinance, the Trustee has the right and duty to draw upon the Instrument prior to its termination for deposit in the Debt Service Reserve Fund Account all or part of its Coverage then the reduction shall be only by that amount as the Trustee shall not have the right and duty so to make a draw. Any amounts in the Debt Service Reserve Fund Account which are not required to be transferred to the Debt Service Fund pursuant to paragraph (3) of this Section may, from time to time, be used to pay costs of acquiring a Reserve Fund Credit Instrument or to make payments due under a reimbursement agreement or to reinstate coverage with respect to a Reserve Fund Credit Instrument, but only if, after such payment, the value of each Account in the Debt Service Reserve Fund shall not be less than the Reserve Requirement for such Account. The Authority may provide for the pledge and assignment and grant of a lien on or any security interest in the amounts on deposit in the Debt Service Reserve Fund Account to any provider of a Reserve Fund Credit Instrument deposited in such Account to secure the Authority's obligation to make payments under a related reimbursement agreement; *provided, however*, that any such lien or security interest shall be junior in priority to the claim of the Trustee for the benefit of the Holders of the Bonds secured by such Account.

(8) The Authority by this Ordinance assigns to the Trustee its rights to enforce each Reserve Fund Credit Instrument. The Trustee shall have the right to enforce each such instrument at law or in equity with or without the further consent or participation of the Authority. This assignment to the Trustee of the right to enforce each such instrument shall not prevent the Authority from enforcing any such Instrument on its own behalf to the extent that such enforcement by the Authority will not adversely affect the rights of the holders of the Bonds and is not inconsistent with any action for enforcement brought by the Trustee.

(9) The Trustee is authorized and directed to file a claim, give notice, or take such other appropriate actions as shall be required in order to effect payment under or make a draw upon any Reserve Fund Credit Instrument as those amounts are needed for use for paying principal of and interest on the respective Series of Bonds, or for making a deposit in the respective Debt Service Reserve Fund Account as provided in the related Series Ordinance. The Trustee shall deposit all such amounts received by it in the respective Debt Service Reserve Fund Account.

Section 607. Assignment; Deposits; Pledge; Lien and Security Interest. (1) The Authority irrevocably assigns the Trueteed Money to the Trustee, for the benefit of the Holders from time to time of the Authority Obligations, to be held, invested and used as provided in this Ordinance. The State Treasurer, the State Department of Revenue and the State Comptroller are authorized and directed to pay and cause to be paid directly to the Trustee and not to the

* This language applies to the Series 1986A Bonds, rather than the number immediately following such language.

Authority all Trusteed Money coming into the hands of any of them or into the Treasury of the State of Illinois. The Chairman or the Secretary of the Authority is authorized and directed to cause a certified copy of this Ordinance and of each Series Ordinance to be filed with the State Treasurer, the Comptroller and the State Department of Revenue. The filing of the certified copy of this Ordinance shall be notice to the Comptroller and the State Department of Revenue of the assignment of the Trusteed Money as created by this Ordinance. Upon receipt of such notice, the State Treasurer, the State Department of Revenue and the Comptroller shall subsequently, notwithstanding any other provisions of the Act, provide for the Trusteed Money held or received by any of them or in the Treasury of the State of Illinois to be paid directly to the Trustee instead of the Authority. After such notice, the assignment shall be valid and binding from the date of this Ordinance without any physical delivery or further act, and shall be valid and binding as against and prior to the claims of all other parties having claims of any kind against the Authority or any other person irrespective of whether the other parties have notice of the assignment. When the assignment shall be discharged in accordance with this Ordinance with respect to all of the Authority Obligations, the Trustee shall promptly deliver to the State Treasurer, the Comptroller and the State Department of Revenue written notice of that fact and subsequently all Trusteed Money shall again be paid to the Authority the same as before the assignment.

(2) While any of the Authority Obligations are Outstanding, the Authority shall pay to the Trustee for deposit in the Debt Service Fund all Trusteed Money received by the Authority (other than amounts withdrawn from the Debt Service Fund in accordance with this Ordinance).

(3) For the benefit of the Holders from time to time of the Authority Obligations, the Authority pledges and grants to the Trustee a first lien on and first security interest in all Trusteed Money, all Revenues and all of its funds on hand from which Authority Obligations are payable as provided in Section 601 of this Ordinance (which Revenues and funds lawfully may be so used) for payment in full of the principal, Redemption Price and Purchase Price of and interest on the Authority Obligations, as such amounts become due and payable. Amounts required to be deposited in any Account, other than a Rebate Account, of the Debt Service Fund secure and shall be used for only the Authority Obligations with respect to which the Account is established. This pledge, lien and security interest with respect to any Authority Obligation shall be valid and binding from the time that Authority Obligation is issued, without any physical delivery or further act, and shall be valid and binding as against and prior to the claims of all other parties having claims of any kind against the Authority or any other person irrespective of whether such other parties have notice of such pledge, lien and security interest. In furtherance of this pledge, lien and security interest, in the event any Authority Obligation shall not be paid when due as to principal, Redemption Price, Purchase Price of interest, the Trustee may require any such Revenues and funds on hand, excluding the joint self-insurance fund referred to in the definition of "Revenues" in Section 103 of this Ordinance, to be paid directly to the Trustee for such application.

This pledge and grant of lien and security interest is subject to the right of the Authority to apply any amounts which it has on hand and which are not required by the terms of this Ordinance and the Series Ordinance to remain on deposit or be deposited in the Debt Service Fund or the Debt Service Reserve Fund for its other legal purposes.

Section 608. Investment Income. All interest and other investment earnings on amounts in the Debt Service Fund or any Account in it or in the Debt Service Reserve Fund or any Account therein shall be deposited in and credited to the Fund and the Account in which it was earned and shall be used in the same manner as other amounts in that Fund and Account.

ARTICLE VII SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701. Security for Deposits. All moneys held under this Ordinance by the Trustee shall be continuously and fully secured for the benefit of the Authority and the Holders of the Authority Obligations, as their respective interests may appear, by Investment Obligations of a market value at least equal at all times to the amount of the deposit so held by the Trustee. However, it shall not be necessary for the Trustee to give security for such amount of moneys as is insured by federal deposit insurance, for the Trustee to give security for any moneys which shall be represented by Investment Obligations purchased under the provisions of this Ordinance as an investment of such moneys, or for any Paying Agent to give security for the deposit of any moneys held by it in trust for the Holders of Authority Obligations.

Section 702. Investment of Funds and Accounts Held by the Trustee. (1) Upon direction of an Authorized Officer, moneys in the Funds and Accounts established by this Ordinance shall be invested by the Trustee in Investment Obligations so that the maturity date or date of redemption at the option of the holder of such Investment Obligations shall coincide, as nearly as practicable, with the times at which moneys in the Funds and Accounts will be required for the purposes provided in this Ordinance. The Trustee shall maintain all amounts in each Fund established by this Ordinance in investments and moneys which are separate and distinct from those of any other Fund. The Trustee shall maintain all amounts in each Rebate Account in investments and deposits which are separate and distinct from those of any other Fund or Account.

(2) Moneys in the Debt Service Reserve Fund shall be invested by the Trustee upon direction of an Authorized Officer, in Investment Obligations the maximum maturity of which shall not be more than ten (10) years from the date of such investment; *provided, however*, that at least 25% of the moneys in each Account of the Debt Service Reserve Fund shall from time to time be invested in Investment Obligations the average maturity of which shall not be more than two (2) years from the date of any investment. A Reserve Fund Credit Instrument shall be treated, for purposes of this Ordinance, as an investment in an Investment Obligation of a maturity equal to the number of days of advance notice which must be given in order to obtain payments on it.

(3) In computing the value of any Fund or Account held by the Trustee under the provisions of this Ordinance, obligations purchased as an investment of moneys in such Fund or Account shall be valued at the cost or market price of such obligations, whichever is lower, exclusive of accrued interest, except that with respect to the Debt Service Reserve Fund, obligations shall be valued at par, or if purchased at less than par, at their cost to the Authority.

(4) The Trustee shall sell at the best price obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made. The Trustee shall advise the Authority as promptly as possible after the end of each calendar month, of the details of all investments held for the credit of each Fund and Account in its custody under the provisions of this Ordinance as of the end of that month.

Section 703. Liability of Trustee for Investments. The Authority shall authorize, direct and confirm in writing by an Authorized Officer, all investments made by the Trustee. If the Authority fails to direct investments, the Trustee shall invest such amount at its discretion in such Investment Obligations as is permitted by this Ordinance. The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article, in the manner provided in this Section, or for any loss resulting from any such investment so made, except for its own negligence or default.

ARTICLE VIII THE TRUSTEE AND PAYING AGENTS

Section 801. Trustee; Appointment and Acceptance of Duties. Continental Illinois National Bank and Trust Company of Chicago is appointed Trustee under this Ordinance. The Trustee shall signify its acceptance of the duties and obligations imposed on it by this Ordinance by a written instrument of acceptance deposited with the Authority prior to issuance of the first Series of Authority Obligations.

Section 802. Paying Agents; Appointment and Acceptance of Duties. (1) The Authority may appoint one or more Paying Agents for the Authority Obligations of any Series in the Series Ordinance authorizing such Authority Obligations, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 811 of this Ordinance for the appointment of a successor Paying Agent. The Trustee may be appointed to act as Paying Agent notwithstanding that it may then be acting in the capacity of the Trustee. Moneys paid to Paying Agents pursuant to this Ordinance shall be held in trust for the Holders of the Authority Obligations.

(2) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Ordinance by written instrument of acceptance deposited with the Authority and the Trustee.

(3) The principal and Redemption Price of all Authority Obligations shall be payable at the corporate trust office of the relevant Paying Agent, or as otherwise provided in a Series Ordinance. Interest on Authority Obligations shall be payable by check mailed by the Trustee or the relevant Paying Agent to the Holders of those Authority Obligations at their addresses as shown on the registry books of the Authority maintained at the Trustee, or as otherwise provided in a Series Ordinance.

Section 803. Responsibilities of Trustee and Paying Agents. The recitals of fact in this Ordinance, the Series Ordinances, and the Authority Obligations shall be taken as the statements

of the Authority, and neither the Trustee nor any Paying Agent assumes any responsibility for their correctness. Except as explicitly provided in this Ordinance, neither the Trustee nor any Paying Agent shall be deemed to make any representations as to the validity or sufficiency of this Ordinance, the Series Ordinances, or the Authority Obligations or in respect of the security afforded by such documents. Except as explicitly provided in this Ordinance, neither the Trustee nor any Paying Agent shall have any responsibility or duty with respect to the issuance of the Authority Obligations or the application of the proceeds of the Authority Obligations. Neither the Trustee nor any Paying Agent 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 of its duties and obligations under this Ordinance, or to advance any of its own moneys unless properly indemnified to its reasonable satisfaction. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of its duties and obligations under this Ordinance except for its own negligence or default or breach of trust. Neither the Trustee nor any Paying Agent shall have any responsibility or duty with respect to the application of any moneys paid by any of them to any other.

Section 804. Evidence On Which Trustee and Paying Agents May Act. The Trustee and any Paying Agent may act 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 and shall not be liable for any such action. The Trustee and any Paying Agent may consult with counsel of recognized competency in such matters who may or may not be counsel to the Authority, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or allowed by the Trustee or any Paying Agent under this Ordinance in good faith and in accordance with such opinion or advice. Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking any action under this Ordinance, or any Series Ordinance, such matter (unless other evidence is specifically prescribed by such document) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or allowed in good faith under the provisions of such document, but in its discretion the Trustee or any Paying Agent may in lieu of such certificate accept other evidence of such fact or matter or may require such further or additional evidence as may seem reasonable to it. Except as otherwise expressly provided in this Ordinance, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of this Ordinance by the Authority to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

Section 805. Compensation. The Authority shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under this Ordinance, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in the performance of their powers and duties under this Ordinance. The Authority further agrees to defend, indemnify and save the Trustee or any Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under this Ordinance, and which are not due to its negligence or default. Such payment of fees and indemnification of the Trustee and each Paying Agent shall be from available funds of the Authority. The Trustee and the Paying Agents shall

have no right to have any set-off, lien or other right to any amounts in the various Funds and Accounts for such purposes.

Section 806. Permitted Acts and Functions. The Trustee or any Paying Agent may buy, own, hold and sell (including acting as an Underwriter in respect of) any Authority Obligations or other bonds or notes of the Authority; and may engage or be interested in any financial or other transaction with the Authority (including acting as principal with respect to the purchase or sale of Investment Obligations) with like effect and with the same rights as if it were not such Trustee or Paying Agent.

Section 807. Resignation or Removal of Trustee. (1) The Trustee may at any time, except during such time as the Authority shall have failed to pay (and shall continue to fail to pay) principal on any Authority Obligations at maturity or on Sinking Fund Installment dates or to pay interest on any Authority Obligation as it comes due or to make any required deposits into the Debt Service Fund, resign and be discharged of the duties and obligations created by this Ordinance by giving not less than sixty (60) days' written notice to the Authority and publishing notice of the resignation, specifying the date when such resignation shall take effect, once in a daily newspaper of general circulation in the City of Chicago. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in Section 808 of this Ordinance, in which event such resignation shall take effect immediately on the appointment of the successor.

(2) The Trustee shall be removed by the Authority if at any time the Authority is so requested by an instrument or concurrent instruments in writing filed with the Trustee and the Authority, and signed by the Holders of a majority in principal amount of the Authority Obligations then Outstanding or their attorneys-in-fact duly authorized, excluding any Authority Obligations held by or for the account of the Authority. The Authority may remove the Trustee at any time, except during such time as the Authority shall have failed to pay (and shall continue to fail to pay) principal of any Authority Obligation (at maturity or on Sinking Fund Installment dates) or to pay interest on any Authorized Obligation as it comes due or to make any required deposits into the Debt Service Fund, for such cause as shall be determined by the Authority by filing with the Trustee an instrument of removal signed by an Authorized Officer of the Authority.

Section 808. Appointment of Successor Trustee. 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 Authority shall then by resolution appoint a successor Trustee. The Authority shall publish notice of any such appointment made by it in a daily newspaper of general circulation in the City of Chicago, such publication in each case to be made within twenty (20) days after such appointment. If appointment of a successor Trustee shall not be made as required by the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Authority written notice, as provided in Section 807 of this Ordinance, or after a vacancy in the office of the Trustee shall have otherwise occurred, the Trustee or any Holder of the Authority Obligations may apply to any court of competent jurisdiction to appoint a successor

Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, prescribe and appoint a successor Trustee. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company organized under the laws of the State of Illinois or a national banking association doing business and having its principal office in Cook, DuPage, Kane, Lake, McHenry or Will Counties, Illinois, shall have significant prior experience as a trustee under bond resolutions or indentures of trust, shall have a capital and surplus aggregating at least Twenty Million Dollars (\$20,000,000), and shall be willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Ordinance.

Section 809. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Ordinance shall execute, acknowledge and deliver to its predecessor as Trustee, and also to the Authority, an instrument accepting 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 written request of the Authority 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 or right held by it under this Ordinance, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in this Ordinance. Should any deed, conveyance or instrument in writing from the Authority 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 Chairman or other Authorized Officer. Any successor Trustee shall promptly notify the Paying Agents of its appointment.

Section 810. Merger, Conversion or Consolidation. Any company into which Trustee or any Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee or any Paying Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee or Paying Agent without the execution or filing of any paper or the performance of any further act, provided with respect to the Trustee that such company shall be a bank or trust company organized under the laws of the State of Illinois or a national banking association doing business and having its principal office in the City of Chicago, Illinois, and otherwise qualifying under Section 808 of this Ordinance for appointment as a Trustee and shall be authorized by law to perform all the duties imposed upon it by this Ordinance.

Section 811. Resignation or Removal of Paying Agents and Appointment of Successors. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Ordinance by giving at least sixty (60) days' written notice to the Authority 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 Authority. Any successor

Paying Agent shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having a capital and surplus aggregating at least Twenty Million Dollars (\$20,000,000), 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 Ordinance. 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 until such successor is appointed. The Authority shall notify the Trustee and the Holders of the Authority Obligations in the manner provided for notification of redemption in Section 405 of this Ordinance as to the appointment of a successor Paying Agent.

Section 812. Powers of Trustee to Enforce Compliance. The Trustee shall have all the rights, duties and powers as provided in other Sections of this Ordinance. In addition, the Trustee shall have power, in its sole discretion, but shall not be obligated, to bring any legal proceedings on behalf of any Holders of the Authority Obligations to enforce the provisions of the Act, this Ordinance, any Series Ordinance or any security for the Authority Obligations as provided by such documents.

Section 813. Trustee's Duty of Care; Arbitrage. (1) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Ordinance or any Series Ordinance authorizing the issuance of a Series then Outstanding. In case an Event of Default has occurred (and has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Ordinance and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provisions of this Ordinance relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

(2) The Trustee will not direct or permit any action which would cause any Authority Obligation to be an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or direct or permit any action inconsistent with the applicable regulations under the Code as amended from time to time and as applicable to such Authority Obligation. The Trustee in this regard may rely on advice from nationally recognized bond counsel selected by the Authority.

Section 814. Co-trustees and Separate Trustees. At any time or times, the Board and the Trustee may appoint, and, upon the written request of the Trustee, of any Qualified Provider or of the Holders of at least 25% in principal amount of the Outstanding Authority Obligations, the Board and the Trustee shall appoint, one or more persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, or to act as separate trustee, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Board does not join in such appointment within 15 days after the receipt by it of a request to do so, or in the case an Event of Default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument from the Board be required by any co-trustee or separate trustee so appointed for the purpose of more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by an Authorized Officer.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

A. The Authority Obligations shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited with or pledged to, the Trustee hereunder, shall be exercised solely, by the Trustee.

B. Except as set forth in Section 814(A), the rights, powers, duties and obligations conferred or imposed upon the Trustee under this Ordinance in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

C. The Trustee at any time, by an instrument in writing executed by it, may accept the resignation of or, with the concurrence of the Board evidenced by a certificate of an Authorized Officer, remove any co-trustee or separate trustee appointed under this Section, and in case an Event of Default has occurred and is continuing, the Trustee shall have power to remove any such co-trustee or separate trustee without the concurrence of the Board. Upon the written request of the Trustee, the Authority shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

D. No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder.

E. Any action, notice, consent or other documentation of any Holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

ARTICLE IX PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Holders from time to time of the Authority Obligations that, while any Authority Obligations are Outstanding, it shall

comply with, observe and perform each of the covenants set forth in this Article, in addition to the obligations of the Authority set forth elsewhere in this Ordinance or in the Series Ordinances. The Authority authorizes and directs each of its officers and agents to carry out all these covenants and obligations.

Section 901. Maintenance of Existence. The Authority shall not take any action to cause itself to be terminated or dissolved. It will take all necessary actions to maintain its existence under the Act.

Section 902. Payment of Authority Obligations. The Authority shall duly and punctually pay or cause to be paid, the principal, Redemption Price and Purchase Price of and the interest on every Authority Obligation, at the dates and places and in the manner specified in this Ordinance, the Series Ordinances and the Authority Obligations. The Authority will apply, deposit, invest and use all moneys required to be deposited in the various Funds and Accounts established by this Ordinance, all as provided in this Ordinance and the Series Ordinances.

Section 903. Offices for Servicing Authority Obligations. The Authority by this Ordinance appoints the Trustee as Authority Obligations Registrar to provide for the registration and transfer of Authority Obligations. It also appoints the Trustee as its Agent for the service upon the Authority of notices, demands and other documents relating to the Authority Obligations. The Trustee shall continuously maintain or make arrangements to provide these services.

Section 904. Further Assurance. The Authority shall, as far as it may be authorized by law to do so, comply with any reasonable request of the Trustee at any time to pass, make, do, execute, acknowledge and deliver, any further resolutions, acts, deeds, pledges, assignments, grants, transfers, filings and assurances as may be necessary or desirable for the better assuring, pledging, assigning, granting a lien on or security interest in and confirming the pledges, assignments and grants of all the moneys, Funds and Accounts which are or are to be pledged, assigned or granted pursuant to this Ordinance and the Series Ordinances for the benefit of the Holders of the Authority Obligations, or otherwise to provide for the payment of the principal of and interest on the Authority Obligations as such amounts come due and to provide for the compliance with, observance and performance of the obligations of the Authority under this Ordinance and the Series Ordinances. It will take all necessary steps to cause appropriate officers and agents of the State of Illinois to pay all Trusteed Money received or held by them or in the Treasury of the State of Illinois directly to the Trustee.

Section 905. Financial Statements. The Authority will keep proper books and accounts relating to, among other things, the amount of its revenues and expenses, in conformity to the Act, and shall cause an audit of its annual financial statements to be prepared by an independent firm of certified public accountants within 120 days of the end of each Fiscal Year. The Authority shall furnish a copy of those financial statements, together with that audit report, to the Trustee and to any other Holder of the Authority Obligations who shall request a copy.

Section 906. No Inconsistent Security Interests. The Authority will not secure any obligation other than Authority Obligations with a pledge of, nor shall it create or suffer to exist

a lien on or security interest in, nor shall it assign, any Trusteed Money, any Revenues or any other of its funds on hand from which Authority Obligations are payable as provided in Section 601 of this Ordinance (which lawfully may be used to pay principal, Redemption Price, Purchase Price or interest on Authority Obligations) in such a way that the claims for those other obligations on the Trusteed Money or such other Revenues or funds will be senior to or on a parity with the claims of the Holders of the Authority Obligations, but only in such a manner as would cause such claims for such other obligations to be junior and subordinate to the claims of the Holders of Authority Obligations to such amounts.

Section 907. Obtaining Funds. The Authority will take all necessary steps to obtain and to apply as provided in this Ordinance in timely fashion all amounts which it is entitled to receive as are required in order to pay the principal, Redemption Price, Purchase Price and interest on all Authority Obligations.

Section 908. Budgets and Annual Appropriation Ordinances. The Authority will adopt, in the manner provided by the Act, budgets and annual appropriation ordinances in conformity with the Act which shall make all needed provisions in them for the payment of principal, Redemption Price, Purchase Price and interest on all Authority Obligations.

Section 909. Additional Authority Obligations. (1) The Authority covenants with the Holders from time to time of all Authority Obligations that it will not issue any Additional Authority Obligations except as provided in this Section.

(2) Any Additional Authority Obligations must be issued under Section 4.04 of the Act, as it may be amended from time to time, or a successor to that Section.

(3) The Authority may issue at any time Additional Authority Obligations for any lawful purpose allowed by the Act if there is no default in payment of Authority Obligations or in making required deposits to the Debt Service Fund, if upon the issuance of the Additional Authority Obligations which are Bonds the value of each Account in the Debt Service Reserve Fund is not less than the Reserve Requirement for such Account and if the "Revenues test" is met.

The "Revenues test" is met if, at the date the contract is made to sell the Additional Authority Obligations, Sales Tax Revenues shall equal or exceed 2.5 times the maximum Annual Debt Service Requirements for the then current or any future twelvemonth period ending April 30 for all Authority Obligations to be Outstanding upon the issuance of the Additional Authority Obligations.

For purposes of the "Revenues test", Sales Tax Revenues shall be an amount equal to one-half of the sales tax revenues for the most recently completed 24 months for which the Authority has financial statements available, shall be calculated consistent with generally accepted accounting principles and shall be evidenced either by an Accountants' Certificate (or for months for which audited financial statements are not available, by a certificate by an Authorized Officer of the Authority).

(4)(a) Notwithstanding any other provision of this Section, the Authority may issue Additional Authority Obligations to pay, purchase, redeem or refund Authority Obligations if there will be in the judgment of the Authority no money available to make payments of interest on or principal of those Authority Obligations (at maturity or on Sinking Fund Installment Dates or pursuant to other mandatory redemption or purchase obligations) as such amounts come due.

(b) In addition to Additional Authority Obligations which may be issued pursuant to paragraph (3) of this Section and subparagraph (a) of this paragraph (4), the Authority may issue Additional Authority Obligations to pay, purchase, redeem or refund any Authority Obligations if the total amount of the required deposits in the Debt Service Fund with respect to all Authority Obligations after the issuance of the Additional Authority Obligations will be not in excess of such required deposits for all Authority Obligations Outstanding prior to the issuance of those Additional Authority Obligations in each Fiscal Year in which any of those Authority Obligations Outstanding prior to the issuance are to remain Outstanding.

(5) Nothing in this Ordinance shall prohibit the Authority from issuing Separate Ordinance Obligations, which may (but need not) be general obligations of the Authority, and from assigning, pledging, and granting a first lien on and first security interest in Secured Government Payments or *ad valorem* real property tax receipts, or both, as well as amounts in a debt service fund and a debt service reserve fund for such Obligations, for the payment of principal, redemption price, purchase price of and interest on such Separate Ordinance Obligations, and for reimbursing a provider of a credit support instrument or reserve fund credit instrument for such Obligations and for reinstating coverage under such an instrument but only to the extent that such Secured Government Payments and receipts have not been specifically and explicitly pledged by a Series Ordinance to Authority Obligations.

Section 910. Imposition of Taxes. The Authority covenants that it shall impose and continue to impose taxes, as provided in Section 4.03 of the Act and, in addition, further taxes as subsequently authorized by law, sufficient to make the required deposits in and credits to the various Accounts in the Debt Service Fund and to pay the principal of and interest on and to meet other debt service requirements of the Authority Obligations as they become due, and shall take all steps necessary for the collection and receipt of those taxes.

Section 911. Arbitrage Bonds. The Authority will not direct or permit any action which would cause any Authority Obligation to be an "*arbitrage bond*" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or direct or permit any action inconsistent with the applicable regulations under the Code as amended from time to time and as applicable to such Authority Obligation.

Section 912. Payment of Trustee and Paying Agents. The Authority will promptly pay all amounts owed by it under this Ordinance to the Trustee and the Paying Agents.

Section 913. Taxability. So long as any of the Authority Obligations are Outstanding, the Authority will not take or fail to take any action, which it may feasibly take or refrain from taking which action or failure would cause the interest to be paid on the Authority Obligations to be subject to federal income taxes.

Section 914. Equality of Authority Obligations. All Authority Obligations authorized pursuant to this Ordinance shall rank equally as to security, regardless of the time or times of their issue, and shall be entitled to no priority one over another between Authority Obligations within the same maturity, with respect to any funds pledged as security for or available for the payment of the Authority Obligations, other than as expressly provided in this Ordinance. Nothing in this Section shall prohibit the Authority from providing Credit Support Instruments solely for certain Authority Obligations and not others. As provided by this Ordinance, the Debt Service Reserve Fund shall be available for the payment of principal, Redemption Price and Purchase Price of and interest only on Bonds.

Section 915. Maintenance of Bond Insurance, Credit Support Instruments and Reserve Fund Credit Instruments. The Authority shall enforce or cause to be enforced, as provided under this Ordinance, the provisions of each policy of bond insurance insuring the payment of principal of and interest on the Authority Obligation, each Credit Support Instrument and each Reserve Fund Credit Instrument. The Authority shall, as provided under this Ordinance, duly perform its covenants and agreements pertaining to such policies or Instruments so that each shall remain in full force and effect during its term or as provided in a Series Ordinance. The Authority shall not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with such a bond insurance policy, Credit Support Instrument or Reserve Fund Credit Instrument which would in any manner materially impair or materially adversely affect the rights of the Authority or the Trustee under such bond insurance policies, Credit Support Instrument or Reserve Fund Credit Instrument or the rights or security of the Holders of the Authority Obligations.

ARTICLE X SERIES RESOLUTIONS AND SUPPLEMENTAL ORDINANCES

Section 1001. Adoption and Filing. The Authority may adopt at any time or from time to time Series Ordinances to provide for the issuance of a Series of Authority Obligations in accordance with the provisions of this Ordinance and to prescribe the terms and conditions pursuant to which such Authority Obligations may be issued, paid or redeemed. The Authority may in addition adopt at any time or from time to time Supplemental Ordinances as provided in Sections 1003 and 1004 which Supplemental Ordinances shall become effective upon compliance with the requirements of those Sections; *provided, however*, that the Authority may adopt Supplemental Ordinances for any one or more of the following purposes without compliance with Sections 1003 and 1004:

(1) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Authority Obligations, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in this Ordinance;

(2) To prescribe further limitations and restrictions upon the issuance of Authority Obligations and the incurring of obligations by the Authority which are not contrary to or inconsistent with the limitations and restrictions on which issuance or incurring of obligations in effect prior to the adoption of such Supplemental Ordinance;

(3) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Ordinance;

(4) To confirm as further assurance any covenant, pledge, assignment, lien or security interest created or recognized by the provisions of this Ordinance;

(5) To take any further action necessary or desirable for the collection and application of moneys sufficient to pay the Authority Obligations as to principal at maturity or on Sinking Fund Installment Dates and to pay interest on the Authority Obligations as it falls due;

(6) With the consent of the Trustee, to correct any ambiguity or defect or inconsistent provisions in this Ordinance or any Series Ordinance or to insert such provisions clarifying matters or questions arising under this Ordinance or any Series Ordinance as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Ordinance or such Series Ordinance as in effect prior to the adoption of any such Supplemental Ordinance.

Any Series Ordinance or Supplemental Ordinance authorized by this Section shall become effective in accordance with its terms upon the filing with the Trustee of a copy certified by an Authorized Officer.

Section 1002. General Provisions Relating to Series Ordinances and Supplemental Ordinances. This Ordinance shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article. Nothing contained in this Article shall affect or limit the right or obligation of the Authority to adopt, make, do, execute or deliver any ordinance, act or other instrument pursuant to the provisions of Section 904 of this Ordinance or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in this Ordinance provided or permitted to be delivered to the Trustee or any Paying Agent. A copy of every Supplemental Ordinance adopted by the Authority when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Supplemental Ordinance has been duly and lawfully adopted in accordance with the provisions of the Act as amended to the date of the Counsel's Opinion, is authorized or permitted by the Act as so amended and by this Ordinance and is valid and binding upon the Authority. The Trustee is authorized to accept delivery of a certified copy of any Series Ordinance or Supplemental Ordinance permitted or authorized pursuant to the provisions of this Ordinance and to make all further agreements and stipulations which may be contained in that Series Ordinance or Supplemental Ordinance. In taking such action, the Trustee shall be fully protected in relying on Counsel's Opinion that such Series Ordinance or Supplemental Ordinance is authorized or permitted by the provisions of this Ordinance. No Series Ordinance or Supplemental Ordinance changing, amending or modifying any of the rights, duties or obligations of the Trustee or any Paying Agent may be adopted by the Authority without written consent of the Trustee or Paying Agent affected by the Series Ordinance or Supplemental Ordinance.

Section 1003. Amendment by Two-Thirds Consent of Holders. This Ordinance and the rights and obligations of the Authority and of the Holders of Authority Obligations may be modified or amended at any time by Supplemental Ordinance adopted by the Authority pursuant to the consent of the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of all the Bonds then Outstanding (other than Bonds of a Series which is unaffected by such modification or amendment) and the consent of the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of all the Notes then Outstanding (other than Notes of a Series which is unaffected by such modification or amendment) by written instrument. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Authority to pay the principal, redemption or Purchase Price, if any, of or interest on any Authority Obligation at the time and place and at the rate and in the currency provided in such Authority Obligation without the express consent of the Holder of such Authority Obligation, nor permit the preference or priority of any Authority Obligation over any other Authority Obligation, nor reduce the percentages of Bonds and Notes required for the written consent to an amendment or modification, nor modify any of the rights or obligations of the Trustee or any Paying Agent at the time acting pursuant to this Ordinance, without the written assent of such Agent. For purposes of this Section, the principal amount of any Authority Obligation issued at an original issue discount of more than 2% of its face amount shall be its Compound Accreted Value.

Section 1004. Methods of Obtaining Written Consent of Holders. The Authority may at any time adopt a Supplemental Ordinance amending the provisions of the Authority Obligations or of this Ordinance, to the extent that such an amendment is permitted by the provisions of Section 1003, to take effect when and as provided in this Section. A copy of such Supplemental Ordinance, together with a written consent form shall be mailed by the Trustee to Holders of the Authority Obligations, first class postage prepaid, at the address, if any, appearing for each such Holder upon the books of the Authority. Failure to mail copies of such Supplemental Ordinance and written consent form shall not affect the validity of the Supplemental Ordinance when assented to as provided in this Article.

A Supplemental Ordinance adopted in accordance with this Section shall not be effective unless and until there shall have been filed with the Trustee the written consents of the Holders of percentages in principal amount of outstanding Authority Obligations specified in Section 1003 of this Ordinance and a notice shall have been given as provided in this paragraph. Each such consent shall be effective only if accompanied by proof of ownership of the Authority Obligations for which such consent is given, which proof shall be such as the Authority may prescribe from time to time. Any such consent shall be binding upon the Holder of the Authority Obligation giving such consent and on any subsequent Holder (whether or not such subsequent Holder has notice of the consent) unless such consent is revoked in writing by the Holder giving such consent or a subsequent Holder by filing a notice of revocation with the Trustee prior to the first date when the notice provided for in the next sentence of this paragraph has been given. After the holders of the required percentages of Authority Obligations shall have filed their consents to the Supplemental Ordinance, the Trustee shall mail a notice to the Holders of the Authority Obligations, in the manner provided in the first paragraph of this Section for the mailing of the Supplemental Ordinance and request for consent, stating in substance that the Supplemental Ordinance has been consented to by the Holders of the required percentages of

Authority Obligations and will be effective as provided in this Section. A certificate of the Trustee reciting compliance with the provisions of this Section shall be filed with the Authority and shall be proof of the matters stated until the contrary is proved, and the Supplemental Ordinance shall be deemed conclusively binding upon the Authority and the Holders of all Authority Obligations at the expiration of sixty (60) days after the filing with the Authority of the certificate, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding commenced within such sixty (60) day period.

Section 1005. Endorsement of Authority Obligations. Authority Obligations authenticated and delivered after the effective date of any action taken by the Holders of Authority Obligations as provided in this Article may bear a notation by endorsement or otherwise in form approved by the Authority and Trustee as to such action, and in that case upon demand of the Holder of any Authority Obligation Outstanding at such effective date and presentation of his Authority Obligation for that purpose at the office of the Trustee or at such additional offices as the Authority may select and designate for that purpose, a suitable notation shall be made on such Authority Obligation. If the Authority shall so determine, new Authority Obligations so modified as to conform to such Holders' action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Authority Obligation then Outstanding shall be exchanged, without cost to any Holder, for Authority Obligations then Outstanding, upon surrender of such Authority Obligation.

ARTICLE XI REMEDIES OF HOLDERS

Section 1101. Proceedings Brought by Trustee. (1) If default shall be made by the Authority in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Ordinance, any Series Ordinance or in the Authority Obligations, or upon the filing by or on behalf of the Authority of a petition for the bankruptcy of the Authority, or some other similar proceeding such as for receivership of the Authority or a substantial part of its assets, shall have been undertaken, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than 25% in principal amount of the Authority Obligations Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of those Authority Obligations under this Ordinance by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in this Ordinance, or in aid of the execution of any power granted in this Ordinance or any Series Ordinance or any remedy granted under the Act or for a writ of mandamus, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Ordinance.

(2) All rights of action under this Ordinance or any Series Ordinance may be enforced by the Trustee without the possession or protection of any of the Authority Obligations on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(3) The Holders of a majority in principal amount of the Authority Obligations at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Holders not parties to such direction.

(4) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Ordinance or any Series Ordinance, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Ordinance and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(5) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in principal amount of the Authority Obligations then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Ordinance or any Series Ordinance by any acts which may be unlawful or in violation of this Ordinance or any Series Ordinance, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Holders of the Authority Obligations, including, without limitation, steps with regard to any Credit Support Instrument.

(6) For purposes of this Section, Section 1102 and Section 1103 of this Ordinance, the principal amount of any Authority Obligation issued at an original issue discount of more than 2% of its face amount shall be its Compounded Accreted Value.

Section 1102. Acceleration Rights. If any event occurs which results in the right of the Holders of Subordinate Obligations to receive payment of the principal of their Subordinate Obligations prior to the normal maturity or mandatory redemption date (pursuant to sinking fund installments or other scheduled redemption) for those Subordinate Obligations, whether by acceleration, mandatory purchase or redemption or otherwise, then the Trustee may, and, upon the direction of Holders of a majority in principal amount of Authority Obligations as provided in Section 1101(3) shall, by notice to the Authority, declare the principal and accrued interest on the Outstanding Authority Obligations to become immediately due and payable, and those amounts shall be so due and payable and the Authority shall pay over to the Trustee sufficient funds to pay the principal of and accrued interest on the Authority Obligations. Any such notice may be withdrawn if the Subordinate Obligations no longer have a right to such payment. In that event, the then Outstanding Authority Obligations shall be due and payable as they were before the notice and declaration.*

Section 1103. Application of Moneys After Default. (1) The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon the

* Ordinance No. 90-32 deletes Section 1102 once the Series 1986A Bonds are no longer Outstanding.

demand of the Trustee, shall cause to be paid over to the Trustee forthwith, all moneys, securities and funds then held by or available to the Authority which are legally able to be used to pay debt service on the Authority Obligations and which are needed for that purpose.

(2) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Article as follows and in the following order:

(a) *Expenses of the Trustee and Paying Agents* — to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee and Paying Agents;

(b) *Principal and Interest* — to the payment of the interest and principal then due on the Authority Obligations, as follows:

(i) *Interest on the Authority Obligations* — to the payment to the persons entitled to such payments of all interest then due in the order that the interest became due, together with accrued and unpaid interest on the Authority Obligations previously called for redemption, and, if the amount available shall not be sufficient to pay in full any interest which became due on the same date, then to the payment of such interest ratably, according to the amounts due, to the persons entitled to such payments, without any discrimination or preference; and

(ii) *Principal of the Authority Obligations* — to the payment to the persons entitled to such payments of the unpaid principal or Redemption Price or Purchase Price of any Authority Obligations which shall have become due, whether at maturity or pursuant to Sinking Fund Installments or otherwise, in the order of such due dates, and, if the amount available shall not be sufficient to pay in full all the Authority Obligations due on any date, then to the payment of such principal or Redemption Price or Purchase Price ratably, according to the amounts of principal or Redemption Price due, to the persons entitled to such payments, without any discrimination or preference.

Section 1104. Remedies Not Exclusive. No remedy by the terms of this Ordinance or any Series Ordinance conferred upon or reserved to the Trustee or the Holders of the Authority Obligations is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Ordinance or any Series Ordinance or existing law, including under the Act, or in equity or by statute on or after the effective date of this Ordinance.

Section 1105. Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or any Holder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of or an acquiescence in any such Event of Default. Every power and remedy given by this Article to the Trustee or to the Holders of the Authority Obligations may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Holders of the Authority Obligations.

Section 1106. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each Holder of Authority Obligations then Outstanding at his or her address, if any, appearing upon the registry books of the Authority.

ARTICLE XII DEFEASANCE

Section 1201. Defeasance. (1) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Authority Obligations then Outstanding, the principal and interest and Redemption Price, if any, to become due on the Authority Obligations, at the times and in the manner stipulated in the Authority Obligations, this Ordinance and the Series Ordinances, then and in that event the covenants, agreements and other obligations of the Authority to the Holders of the Authority Obligations, shall be discharged and satisfied. In such event, the Trustee shall, upon request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such release and discharge and the Trustee and the Paying Agents shall pay over or deliver to the Authority all moneys or securities held by them pursuant to this Ordinance or a Series Ordinance which are no longer required for the payment or redemption of Authority Obligations not theretofore surrendered for such payment or redemption.

(2) Authority Obligations for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or any Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Authority Obligations, shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (1) of this Section. All Outstanding Authority Obligations of any Series shall, prior to their maturity or redemption date, be deemed to have been paid within the meaning and with the effect expressed in paragraph (1) of this Section if (a) there shall have been deposited with such Trustee or Paying Agents either moneys in an amount which shall be sufficient, or Government Obligations the principal of and interest on which when due will provide moneys which, when added to the moneys, if any, deposited with such Trustee or Paying Agents at the same time, shall be sufficient (as evidenced by an Accountant's Certificate) to pay the principal of those Authority Obligations at maturity, or on Sinking Fund Installment dates for Term Bonds, or the Redemption Price, if applicable, and interest due and to become due on those Authority Obligations on and prior to the redemption date or maturity date (or Sinking Fund Installment dates for Term Bonds) of the Authority Obligations, as the case may be and (b) in case any of the Authority Obligations are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in Article IV of this Ordinance any required notice of redemption on that date of such Authority Obligations. Neither Government Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments of any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on those Authority Obligations; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in principal amounts sufficient to

pay when due the principal or Redemption Price, if applicable, and interest to become due on those Authority Obligations on and prior to such redemption date or maturity date of the Authority Obligations, as the case may be. With respect to Authority Obligations for which there are purchase or similar obligations of the Authority or redemption provisions other than pursuant to Sinking Fund Installments or at the option of the Authority, the Series Ordinance shall prescribe the extent to which and the manner in which this paragraph (2) shall be applicable to those obligations.

(3) Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Trustee or Paying Agents in trust for the payment and discharge of any of the Authority Obligations which remain unclaimed for six years after the date of deposit of such moneys if deposited with the Trustee or Paying Agents after the date when the Authority Obligations become due and payable shall, at the written request of the Authority, be repaid by the Trustee or Paying Agents to the Authority, as its absolute property and free from trust, and the Trustee or Paying Agents shall thereupon be released and discharged with respect to such amounts and the Holders shall look only to the Authority for the payment of such Authority Obligations; *provided, however*, that before being required to make any such payment to the Authority, the Trustee or Paying Agents shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than seven days between publications, in a daily newspaper of general circulation in the City of Chicago and in The Bond Buyer, published in the City of New York, State of New York, or in the event that journal ceases publication, then in a financial newspaper of general circulation in the City of New York, a notice that those moneys remain unclaimed and that, after a date named in the notice, which date shall be not less than 30 days after the date of the first publication of the notice, the balance of such moneys then unclaimed will be returned to the Authority.

ARTICLE XIII MISCELLANEOUS

Section 1301. Preservation and Inspection of Documents. All documents received by the Trustee or any Paying Agent under the provisions of this Ordinance or any Series Ordinance shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Trustee or any Paying Agent, any Holder of Authority Obligations and their agents and representatives duly authorized in writing, any of whom may make copies of such documents.

Section 1302. Parties in Interest. Nothing expressed or implied in this Ordinance or in any Series Ordinance adopted pursuant to the provisions of this Ordinance is intended to or shall be construed to confer upon or to give to any person or party other than the Authority, the Trustee, the Paying Agents and the Holders of the Authority Obligations any rights, remedies or claims under or by reason of this Ordinance, any Series Ordinance or any covenants, condition or stipulation or those documents; and all covenants, stipulations, promises and agreements in this Ordinance or any Series Ordinance by or on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agents and the Holders from time to time of the Authority Obligations.

Section 1303. No Recourse Under Ordinance and Series Ordinance or on Authority Obligations. All covenants, stipulations, promises, agreements and obligations of the Authority contained in this Ordinance and the Series Ordinances shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any director, officer or employee of the Authority in that person's individual capacity. No recourse shall be had for the payment of the principal or Redemption or Purchase Price, of or interest on the Authority Obligations or for any claim based on that payment or on this Ordinance against any director, officer or employee of the Authority or any person executing the Authority Obligations on behalf of the Authority.

Section 1304. Severability. If any of the covenants, stipulations, promises, agreements or obligations provided in this Ordinance or any Series Ordinance on the part of the Authority, Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant, stipulation, promise, agreement or obligation shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations contained in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance.

Section 1305. Headings. Any headings preceding the texts of the several Articles and Sections of this Ordinance or any Series Ordinance, and any table of contents or marginal notes appended to copies of this Ordinance or any Series Ordinance, shall be solely for convenience of reference and shall not constitute a part of this Ordinance or such Series Ordinance, nor shall they affect its meaning, construction or effect.

Section 1306. Conflict. All ordinances or parts of ordinances or other proceedings of the Authority in conflict with this Ordinance are repealed to the extent of the conflict. Ordinance 78-158, as amended by Ordinances 80-212 and 82-268, is repealed as of the payment in full as to principal and interest of the presently outstanding General Obligation Capital Notes, 1983 Series A, of the Authority.

Section 1307. Carrying Out Provisions; Trust Indenture. The Authorized Officers of the Authority are authorized and directed to take all necessary or desirable actions for the carrying out of all of the provisions of this Ordinance and each Series Ordinance. The Chairman and Secretary of the Authority are also authorized, if they shall conclude that doing so would assist in carrying out the provisions of this Ordinance or any Series Ordinance to execute and deliver to the Trustee a Trust Indenture in substantially the form as this Ordinance. The provisions of this General Ordinance, however, shall be in full force and effect whether or not a Trust Indenture is so executed and delivered and the failure so to execute or deliver such a Trust Indenture shall have no effect whatsoever with respect to the obligations of the Authority under this General Ordinance, any Series Ordinance or any Authority Obligations.

Section 1308. Effectiveness. This Ordinance is effective immediately upon its adoption.