

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 25, 2025

	Turnpike Revenue Bonds	Special Obligation Bonds
Fitch:	AA-	A
Moody's:	Aa3	A2
S&P:	AA-	A+

See "RATINGS" herein.

In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Authority, under existing law, and assuming continued compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Bonds is not an item of tax preference for purposes of computation of the federal alternative minimum tax imposed on individuals; however, it may be taken into account for the purpose of computing the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from State of Maine income tax imposed on individuals. See "TAX EXEMPTION" herein.



MAINE TURNPIKE AUTHORITY

\$91,980,000*

**Turnpike Revenue Refunding Bonds
Series 2025**

\$16,510,000*

**Special Obligation Bonds
Series 2025**

Due: July 1, as shown on the inside cover

Dated: Date of Delivery

The Turnpike Revenue Refunding Bonds, Series 2025 (the "2025 Turnpike Revenue Bonds") and Special Obligation Bonds, Series 2025 ("2025 Special Obligation Bonds" and together with the 2025 Turnpike Revenue Bonds, the "Bonds") are being issued by the Maine Turnpike Authority (the "Authority") to refund certain previously issued bonds and to pay related costs, all as described herein. The 2025 Turnpike Revenue Bonds will be secured on a parity basis with the Authority's outstanding Turnpike Revenue Bonds, as more fully described herein. The 2025 Special Obligation Bonds will be secured under a different resolution than the 2025 Turnpike Revenue Bonds and, following the issuance of the Bonds, will be the only outstanding bonds under such resolution, as more fully described herein.

THE 2025 TURNPIKE REVENUE BONDS WILL BE OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES OF THE TURNPIKE PLEDGED THEREFOR. THE 2025 SPECIAL OBLIGATION BONDS WILL BE OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE SPECIAL OBLIGATION REVENUES OF THE AUTHORITY PLEDGED THEREFOR. THE BONDS SHALL NOT CONSTITUTE A DEBT OF THE STATE OF MAINE OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF MAINE OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will acquire beneficial ownership interests in the Bonds in denominations of \$5,000 or any integral multiple thereof and will not receive physical delivery of bond certificates. So long as Cede & Co. is the registered owner of the Bonds, principal and interest will be payable by Bangor Savings Bank, as Trustee and Paying Agent to Cede & Co., as nominee for DTC. See *Appendix E - The Depository Trust Company*.

The Bonds will bear interest from their initial delivery, payable each January 1 and July 1, commencing July 1, 2025. See the inside cover hereof for maturities, principal amounts, interest rates and prices or yields.

The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Bonds are offered when, as and if issued, and subject to the approving opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel. Certain legal matters will be passed upon for the Authority by Jensen Baird Gardner & Henry, P.A., General Counsel to the Authority, and for the Underwriters by Troutman Pepper Locke LLP. Public Resources Advisory Group, Inc. is serving as Financial Advisor to the Authority in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery at or through DTC in New York, New York, on or about April 16, 2025.

BofA Securities

**FHN Financial Capital Markets
Raymond James**

**Loop Capital Markets
Siebert Williams Shank**

April __, 2025

* Preliminary, subject to change.

\$91,980,000*

MAINE TURNPIKE AUTHORITY
Turnpike Revenue Refunding Bonds
Series 2025

<u>Maturity</u> <u>(July 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
2026	\$ 9,790,000			
2027	11,235,000			
2028	11,790,000			
2029	12,390,000			
2030	12,850,000			
2031	3,935,000			
2032	4,125,000			
2033	4,330,000			
2034	4,555,000			
2035	4,785,000			
2036	5,015,000			
2037	5,270,000			
2038	1,910,000			

\$16,510,000*

MAINE TURNPIKE AUTHORITY
Special Obligation Bonds
Series 2025

<u>Maturity</u> <u>(July 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
2026	\$1,350,000			
2027	1,585,000			
2028	1,670,000			
2029	1,750,000			
2030	1,840,000			
2031	1,930,000			
2032	2,025,000			
2033	2,125,000			
2034	2,235,000			

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems, Inc. The CUSIP numbers listed above are being provided solely for the convenience of the Bondholders and the Authority makes no representations with respect to such numbers or undertakes any responsibility for their accuracy. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION HEREIN IS SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AUTHORITY SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE BONDS AND MAY NOT BE REPRODUCED OR USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE AUTHORITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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Andrew McLean, Member

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Pamela J. Lambert, Director of E-ZPass Operations

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OFFICIAL STATEMENT RELATING TO

MAINE TURNPIKE AUTHORITY

\$91,980,000*

**Turnpike Revenue Refunding Bonds
Series 2025**

\$16,510,000*

**Special Obligation Bonds
Series 2025**

INTRODUCTION

The Official Statement sets forth certain information concerning the Maine Turnpike Authority (the “Authority”) in connection with the issuance and sale of Maine Turnpike Authority Turnpike Revenue Refunding Bonds, Series 2025 (the “2025 Turnpike Revenue Bonds”) and Maine Turnpike Authority Special Obligation Bonds, Series 2025 (“2025 Special Obligation Bonds” and together with the 2025 Turnpike Revenue Bonds, the “Bonds”) to be dated the date of delivery thereof.

2025 Turnpike Revenue Bonds

The 2025 Turnpike Revenue Bonds will be issued in accordance with Title 23, Part 1, Chapter 24, Sections 1961-1983, inclusive, of the Maine Revised Statutes, as amended (the “Enabling Act”) and pursuant to the General Turnpike Revenue Bond Resolution (“General Resolution”) of the Authority adopted April 18, 1991, as from time to time amended and supplemented, including by the Twenty-Fourth Supplemental Resolution Authorizing the Issuance of Maine Turnpike Authority Turnpike Revenue Refunding Bonds, Series 2025 adopted on March 20, 2025 (the “Twenty-Fourth Supplemental Resolution” and together with the General Resolution, the “Resolution”).

The 2025 Turnpike Revenue Bonds are being issued to provide funds which, together with other available moneys of the Authority, will be used (i) to refund all or a portion of the Authority’s outstanding Turnpike Revenue Refunding Bonds, Series 2015 maturing after July 1, 2025 (the “Refunded 2015 Bonds”), and (ii) to pay certain costs of issuing the Bonds.

The principal of, redemption premium, if any, and interest on the 2025 Turnpike Revenue Bonds, together with other bonds issued pursuant to the Resolution (“Turnpike Revenue Bonds”), are payable solely from and are equally and ratably secured by a pledge of all Revenues (hereinafter defined) and certain moneys and securities on deposit from time to time in all Funds, Accounts and Subaccounts established by the Resolution. See “SECURITY FOR TURNPIKE REVENUE BONDS.” The foregoing pledge is subject to certain terms and conditions of the Resolution, including the Trustee’s right to reasonable compensation for services rendered. See *Appendix B - Summary of Certain Provisions of the Resolution*.

THE 2025 TURNPIKE REVENUE BONDS WILL BE OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES OF THE TURNPIKE PLEDGED THEREFOR. THE 2025 TURNPIKE REVENUE BONDS SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF MAINE OR A DEBT OF THE STATE OF MAINE OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

* Preliminary, subject to change.

2025 Special Obligation Bonds

The 2025 Special Obligation Bonds are being issued in accordance with the Enabling Act and pursuant to the General Special Obligation Bond Resolution of the Authority adopted May 15, 1996, as from time to time amended and supplemented (the “General Special Obligation Bond Resolution”), including a Fifth Supplemental Resolution Authorizing the Issuance of Maine Turnpike Authority Special Obligation Bonds, Series 2025 adopted on March 20, 2025 (the “Fifth Supplemental Resolution” and together with the General Special Obligation Bond Resolution, the “Special Obligation Resolution”).

The 2025 Special Obligation Bonds are being issued to provide funds sufficient, together with other available funds of the Authority, (i) to refund all or a portion of the Authority’s outstanding Special Obligation Bonds, Series 2014 (the “Refunded 2014 Bonds” and together with the Refunded 2015 Bonds, the “Refunded Bonds”), and (ii) to pay certain costs of issuing the Bonds.

The 2025 Special Obligation Bonds are special obligations of the Authority and are not payable from or secured by the Revenues which are pledged to pay principal of and redemption premium, if any, and interest on the 2025 Turnpike Revenue Bonds and other Turnpike Revenue Bonds. The principal of and interest on the 2025 Special Obligation Bonds, together with other bonds issued under the General Special Obligation Bond Resolution (the “Special Obligation Bonds”) are payable solely from and are equally and ratably secured by a pledge of all Special Obligation Revenues (hereinafter defined), and certain other moneys and securities on deposit from time to time in all Funds, Accounts and Subaccounts established by the Special Obligation Resolution. See “SECURITY FOR THE SPECIAL OBLIGATION BONDS.” The foregoing pledge is subject to certain terms and conditions of the Special Obligation Resolution, including the Trustee’s right to reasonable compensation for services rendered. See *Appendix C – Summary of Certain Provisions of the Special Obligation Bond Resolution*.

THE 2025 SPECIAL OBLIGATION BONDS WILL BE OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE SPECIAL OBLIGATION REVENUES OF THE TURNPIKE PLEDGED THEREFOR. THE 2025 SPECIAL OBLIGATION BONDS SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF MAINE OR A DEBT OF THE STATE OF MAINE OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

Miscellaneous

Capitalized terms not defined elsewhere in this Official Statement have the same meanings assigned to such terms in the Resolution and the Special Obligation Resolution. See *Appendix A - Certain Definitions*, *Appendix B - Summary of Certain Provisions of the Resolution* and *Appendix C - Summary of Certain Provisions of the Special Obligation Resolution*.

THE AUTHORITY

General

The Authority is a body politic and corporate whose existence is continued under and by virtue of the Enabling Act. Pursuant to the Enabling Act, the Authority is authorized and empowered to operate and maintain a toll turnpike from a point at or near Kittery in York County to a point at or near Augusta in Kennebec County, together with any connecting tunnels, bridges, overpasses, underpasses, interchanges and toll facilities. See “THE TURNPIKE.”

The Enabling Act permits the Authority to charge and collect fees, fares and tolls for the use of the Turnpike and to use the proceeds of such fees, fares and tolls for the purposes provided in the Enabling Act

subject to and in accordance with any agreement with bondholders made in accordance with the terms and conditions of the Enabling Act, including the Resolution and the Special Obligation Resolution.

In addition, the Enabling Act permits the Authority to provide, from revenues to or for the use of MaineDOT, funds for the maintenance, construction or reconstruction of additional interchanges determined by the Authority and MaineDOT to have a sufficient relationship to the public's use of the Turnpike and the orderly regulation and flow of vehicular traffic using the Turnpike.

Members, Officers and Senior Staff of the Authority

The Authority is governed by a seven Member board. Six members are appointed to staggered six-year terms by the Governor, subject to review by the joint standing committee of the Maine State Legislature having jurisdiction over transportation and to confirmation by the Maine State Senate and the seventh Member is Maine's Commissioner of Transportation, or the Commissioner's designee, serving as a Member *ex-officio*. Each Member may serve for six years or until a successor is appointed and has been confirmed. If there is any vacancy prior to the expiration of a Member's term, the Governor may appoint a new Member for the remainder of the unexpired term. The six appointed Members are compensated to attend meetings and are reimbursed for expenses incurred in the performance of their duties. The Authority may act only upon concurrence of at least four Members. There is currently one vacancy on the Board, the seat designated for a Member from Androscoggin County.

The Members annually appoint or reappoint the Executive Director who is not a Member and whose appointment is subject to review by the joint standing committee of the Maine State Legislature having jurisdiction over transportation and subject to confirmation by the Maine State Senate. As described below, the Authority recently selected a new Executive Director, pending Senate confirmation.

The current Members of the Authority and their terms are as follows:

Michael J. Cianchette, Chair. Mr. Cianchette was originally appointed as an Authority Member on January 15, 2016 as an at-large member and as Chair in October 2024. His term expires March 31, 2027. Mr. Cianchette currently serves as Executive Vice President of a Maine-based management company directing four affiliated businesses in several industries. He previously served as Chief Legal Counsel and Senior Advisor to Maine Governor Paul LePage before resigning his position to deploy to Afghanistan. Mr. Cianchette holds the rank of Lieutenant in the Navy Reserve as an Intelligence Officer, where his military decorations include the Defense Meritorious Service Medal, Military Outstanding Volunteer Service Medal, and Sharpshooter qualification awards. He earned a BA from Boston College in Economics and Political Science and a JD/MBA from Suffolk University. He has served in several volunteer organizations, including founding President of the Cheverus High School Alumni Council and a Corporator of Gorham Savings Bank.

Jane L. Lincoln, Vice Chair. Ms. Lincoln was appointed as an Authority Member on February 24, 2020 as the representative from Kennebec County. She was appointed as Vice Chair in November 2024. Her term expires March 31, 2025. She served for eight years as chief of staff for Maine Governor John E. Baldacci, where she played an integral role in the development of public policy, political and legislative strategy, and communications. Her responsibilities included coalition building and management, legislative relations and community outreach. Ms. Lincoln's issue portfolio included a particular focus on transportation, energy, finance and intergovernmental affairs. Before joining the Governor's Office, she was the Acting Commissioner of the Maine Department of Transportation, where she managed a workforce of 2,300 and a biennial budget of approximately \$600 million. She has served in appointed positions for Democratic, Independent and Republican governors during a public service

career that has spanned 33 years. Ms. Lincoln currently serves on the Board of Directors of Emerge Maine and is Vice President of the Kennebec Valley Humane Society Board of Directors.

Nina A. Fisher, Member. Ms. Fisher was confirmed to the Authority Board on October 10, 2024 as an at-large member. Ms. Fisher resides in Farmingdale, within Kennebec County. She is a Northeast Government Affairs Associate with the firm Serlin Haley, LLP. Ms. Fisher has over twenty-five years of experience in government relations, policy development, communications, and executive leadership. Her State House career spans both the private and public sector, and executive and legislative branches of government. Most recently, Ms. Fisher served as the Deputy Commissioner for the Maine Department of Transportation, a position she held for five years. She began her career at MaineDOT as the Director of Legislative and Constituent Services under two prior administrations. She has also worked as Director of Government Relations for the Maine Community College System, and as Legislative Aide in the Maine State Senate.

Andrew McLean, Member. Mr. McLean was appointed to the Authority on April 1, 2022 as the representative for Cumberland County. Mr. McClean currently works as a Transportation Policy Specialist at CDM Smith, where he provides a variety of financial, policy, and transportation advisory services to public transportation agencies and private clients. Prior to joining CDM Smith, Mr. McClean served for eight years as a legislator in the Maine House of Representatives, during which he was Chair of the Joint Standing Committee on Transportation for six years. There, he gained a statewide reputation as a leading transportation policy expert, working to build bipartisan support for revenue-generating initiatives for transportation projects and new and innovative ways to reform the state's transportation funding model. He also served as Chair of the Natural Resources and Infrastructure of the National Conference of State Legislatures (NCSL) and as Chair of the Transportation and Infrastructure Public Policy Committee of the Council of State Governments (CSG). In these national leadership positions, he worked with some of the nation's top lawmakers and industry stakeholders to develop creative funding mechanisms and new technologies that foster transformative and lasting approaches to equitable mobility. While serving in the Legislature, Mr. McClean also earned his Master's Degree in Public Policy from the Muskie School of Public Service at the University of Southern Maine as well as his law degree from the University of Maine School of Law. After completing his service in the Legislature, Mr. McClean served as a law clerk for the Maine Superior Court.

Thomas J. Zuke, Member. Mr. Zuke was appointed as an Authority Member on June 15, 2017 as the representative for York County. He was reappointed as a member and his current term expires March 31, 2026. Mr. Zuke has been a licensed Certified Public Accountant since 1990 and serves as Executive Vice President and Chief Financial Officer at Kennebunk Savings Bank since June 2016. He is a graduate of Bentley College with a B.S. degree in Accounting. Mr. Zuke began his career in public accounting at KPMG and Baker Newman in Portland, Maine. Mr. Zuke was Director of Finance at Wentworth-Douglas Hospital in Dover, New Hampshire for six years and Executive Vice President and Chief Financial Officer for Martin's Point Healthcare for over two years. In 2009, Mr. Zuke joined Androscoggin Bank in Lewiston as Executive Vice President and Chief Financial Officer and was with that bank for seven years. In addition to serving on the board of the Maine Turnpike Authority, Mr. Zuke is also currently a member of the board of directors of Southern Maine Health Care in Biddeford.

Bruce A. Van Note, Member Ex-Officio. Mr. Van Note is the Commissioner of Maine Department of Transportation (MaineDOT), and in that capacity has served as the Ex-Officio Member since 2019 and previously from 2009 to 2014, as designee of the then MaineDOT Commissioner. From 2014 to 2018, Commissioner Van Note served as the Director of Policy and Planning of the Authority. Commissioner Van Note served as Deputy Commissioner of the MaineDOT from 2002 to 2014. He previously held other MaineDOT positions including Legislative Liaison and Principal Attorney for Engineering and Construction. In addition to MaineDOT experience, he has worked as a mediator, attorney

and owner of a consulting firm specializing in land use, surveying and engineering services. Mr. Van Note is an engineering graduate, an Attorney at Law, and a Professional Land Surveyor.

The officers and senior staff of the Authority are as follows:

The Authority has selected a new Executive Director, **Andre J. Briere**, who is expected to begin serving as Executive Director-Select on April 2, 2025 while awaiting confirmation by the Maine State Senate, scheduled for consideration in April 2025. Mr. Briere most recently served as the Deputy Commissioner of the New Hampshire Department of Transportation (NHDOT), where he played a critical role in advancing transportation initiatives and overseeing statewide infrastructure programs. Prior to his tenure at NHDOT, Mr. Briere held executive roles in the private sector and served a decorated 29-year career in the United States Air Force, retiring as a Colonel.

Peter S. Merfeld, P.E., Interim Executive Director. Mr. Merfeld is a Licensed Professional Engineer in Maine with 34 years of experience, including 27 years with the Authority. He most recently served as Acting Deputy Executive Director from July to September of 2024. Prior to that, Mr. Merfeld had served as Chief Operations Officer since 2000, overseeing 165 employees in the Maintenance, Engineering, Construction, Public Safety, and Service Plaza Operations for the 110-mile toll road. Mr. Merfeld has been active with the American Society of Civil Engineers (ASCE), serving in local leadership positions, including President in 2006, and for the past 17 years as Chair of the Maine Section ASCE Report Card committee. He served on ASCE's Committee for America's Infrastructure from 2009 to 2017 and on ASCE's Construction Institute Claims Avoidance and Resolution Committee from 2005 to 2010. In October 2024, he will begin a three-year term as a Region 1 Governor for ASCE. Since 2019, he has been active in the Transportation Working Group for Governor Mills' Climate Council. He is a past Board Director for the Maine Chapter of the Associated General Contractors of America (AGCMaine), serving from 2003 to 2012. He has also been very active with the International Bridge, Tunnel and Turnpike Association (IBTTA), serving seven years as a Board Director (2009-2016) and completing a 40-hour leadership training program in 2010. Mr. Merfeld holds a BS in Civil Engineering from the University of Maine, an MBA from Thomas College in Waterville, Maine, and has attended executive programs at Harvard and MIT. Mr. Merfeld will return to serving as Chief Operations Officer when Mr. Briere assumes the position of Executive Director-Select.

John P. Sirois, Chief Financial Officer and Treasurer. A lifelong resident of Maine, Mr. Sirois grew up in South Portland and graduated from South Portland High School. Mr. Sirois attended the University of Southern Maine where he earned a Bachelor of Science degree in Accounting. Prior to joining the Authority, Mr. Sirois worked as Division Controller for Konica Photo Imaging, an international photo products and processing company; and as Regional Controller for Pleasants Hardware Inc., a national door and hardware distributor. He was hired as the Authority's Controller in 2004 and promoted to Director of Finance in 2013. In 2023, Mr. Sirois was promoted to Chief Financial Officer, overseeing 275 employees in Finance/Accounting, Customer Service, ITS, Information Technology and Fare Collection. Mr. Sirois has served as Board Treasurer since July 2023.

Jonathan A. Arey, Esq., Secretary and Staff Attorney. Mr. Arey is a graduate of the University of Southern Maine. He received his J.D. from the University of Maine School of Law and was admitted to the Maine Bar in 2000. Mr. Arey joined the Authority in September 2000 and was made Secretary in February 2005.

Shawn R. Laverdiere, Director of Building Maintenance. Mr. Laverdiere is a 1997 graduate of Central Maine Technical College with an Associate's Degree of Applied Science in Electromechanical Technology with an educational background in Electrical Engineering. Prior to joining the Maine Turnpike Authority in February 2019, he worked in multiple industries as lead electrician, lead HVAC

technician, plumber, international lyophilization specialist and facilities manager in the pharmaceutical sector. Mr. Laverdiere is highly skilled in building automation processes with digital control systems and holds a Maine license for high-pressure boiler operation as well as EPA license in universal refrigeration.

Erin T. Courtney, Director of Communications and Government/Public Relations. Ms. Courtney oversees public communication, proactive relation initiatives, and legislative relations for the Authority. As a dedicated advocate for advancing women's careers, Ms. Courtney served as Chapter President of WTS-Maine from 2020-2025, leading significant growth in membership, sponsorship, and scholarships while promoting diversity in the transportation industry. She holds an M.A and B.A in Communication from the University of Maine, where she taught public speaking, a Public Leadership Certification from Harvard, and is pursuing her MBA.

Pamela J. Lambert, Director of E-ZPass Operations. Ms. Lambert is a graduate from Thomas College earning her degree in business and operations management. She began her career with the Authority in 2010 and since then has evolved through various positions and showcased her dedication and expertise in tolling operations. She was promoted to Director of E-ZPass Operations in 2023. As a director, she oversees the efficient and customer focused operation of the E-ZPass system, making sure tolling services are seamless for all commuters and travelers.

Stephen R. Tartre, P.E., Director of Engineering. Mr. Tartre is a graduate of the University of Maine with a Bachelor of Science in Civil Engineering. Mr. Tartre also completed the State and Local Government Program at Harvard University's Kennedy School of Government in June 2008. He worked for two civil engineering consulting firms and as a district engineer for a utility company prior to joining the Authority in May 2000 as Civil Engineer/Assistant Department Administrator. In 2018, Mr. Tartre was promoted to his current position. Mr. Tartre is a registered Professional Engineer in Maine.

Richard R. Barra, Director of Fare Collections. Mr. Barra began working for the Maine Turnpike Authority in 1975 as a temporary Toll Collector after graduating from Kennebunk High School. Mr. Barra became a full time Toll Collector assigned to Wells toll in 1976 and was promoted to Senior Toll Collector at Exit 10 in 1986, to South End Toll Manager in 1987, to Superintendent of Fares in 1993 and became Director of Fare Collection in 2003.

Matthew W. Elliott, Director of Finance. Mr. Elliott is a graduate of Keene High School in Keene, New Hampshire. He received his M.S. in Business Administration from Husson College in Bangor, Maine, and B.S. in Business Administration from the University of New Hampshire in Durham, New Hampshire. Mr. Elliott joined the Authority in 2006 as the Fixed Asset Accountant, was promoted to Accounting Manager in October 2007, was promoted to Controller in October 2013 and was promoted to Director of Finance in December 2023.

John W. Cannell, P.E., Director of Highway & Equipment Maintenance. Mr. Cannell is a 1995 graduate of Worcester Polytechnic Institute with a Bachelor of Science in Civil Engineering. He is a registered Professional Engineer in the State of Maine. Prior to joining the Maine Turnpike Authority in August 2015, Mr. Cannell worked for the State of Maine for 18 years. Mr. Cannell served with MaineDOT for 15 years as the Facilities Manager, Fleet Manager, and the Region 1 (Southern Maine) Manager.

Lauren G. Carrier, Director of Human Resources. Ms. Carrier is a graduate of the University of New Hampshire with a Bachelor of Arts degree in Political Science and a Master's Degree in Public Administration. Prior to joining the Maine Turnpike Authority in February 2006, Ms. Carrier served as the Assistant City Manager and Director of Human Resources for the City of South Portland, Maine, and previous to that as Deputy County Manager in Frederick County, Virginia.

William H. Yates, III, Director of Information Services. Mr. Yates is a graduate of St. Joseph's College in Standish, Maine with a degree in History and English. Mr. Yates joined the Authority in May 1998, becoming the Network Manager in December 2000. He holds several computer industry certifications, including Microsoft Certified Systems Engineer. Mr. Yates became Director of Information Services in February 2011.

Eric R. Barnes, P.E., Director of Intelligent Transportation Systems. Mr. Barnes has 25 years of professional transportation work, including design, construction, and as an owner. This experience has come from working in Maine but also NH, VT, MA, and NY. Mr. Barnes has been at the Authority since 2008 in various Intelligent Transportation Systems-related roles. Mr. Barnes is an engineering graduate from the University of Maine, Orono. He was born in Rutland, VT and later moved to Hampton, NY where he attended school.

Gregory J. Stone, Director of Security, Traffic Safety & Motorist Services. Mr. Stone attended the University of Maine in Orono and the University of Southern Maine, where he earned a Bachelor's Degree in Criminology. He holds a Master's Degree in Public Policy and Management from the Muskie School of Public Service at USM and has also completed executive programs at Babson College, the University of Maryland, and Harvard University's John F. Kennedy School of Government. Mr. Stone joined the Authority in 2005 and currently sits on the Board of Directors of the Maine Transportation Safety Coalition.

Cooperation with MaineDOT

The Authority has worked with MaineDOT on transportation projects, studies, and programs. For example, the two agencies built the West Gardiner Service Plaza, constructed several interchanges with improved approach roads, evaluated transportation needs for Central York County, studied an east-west corridor for Gorham, and jointly examined traffic congestion in Saco. They both work with local agencies to provide annual support for an express commuter bus. They manage a ride matching program known as "Go Maine" and they support numerous park and ride lots owned by each agency.

In March 2025, the Authority announced that it has engaged MaineDOT to take the lead in a comprehensive effort to identify transportation solutions for persistent traffic congestion west of Portland. This decision follows feedback from the public and civic leaders who have called for a broader, more holistic, and multimodal approach to addressing the region's mobility challenges. As part of this effort, MaineDOT will review past mobility studies – including recent efforts involving a proposed Gorham Connector – and update them to reflect current commuting patterns, community growth trends, and land use developments.

From 1982 until 2011, the Authority provided to MaineDOT portions of its revenue as directed from time to time by the Legislature. The Enabling Act was amended in 2011 to establish a policy defining what the State may expect from the Authority on a year-to-year basis and requires the Authority to allocate at least five percent of its annual operating revenues (based on a three-year rolling average) ("Annual MaineDOT Allocation") to jointly approved "department projects" defined as projects or allocations to:

1. Build or improve an interchange;
2. Maintain, build or improve an access road;
3. Study or plan a future highway corridor and study-related issues;
4. Maintain, build or improve a park and ride lot or other transportation infrastructure for all modes of transportation relating to turnpike use;

5. Purchase, lease or improve highway-related infrastructure; or
6. Pay debt incurred by the Authority for any capital project purpose in (1) – (5).

Authority funds may be devoted to a department project only when both the Authority and the MaineDOT agree that it bears a “sufficient relationship to the public’s use of the Turnpike.” Such projects are referred to in the Official Statement as “Department Projects.” The Authority’s obligation to pay MaineDOT or to pay debt service on the special obligation bonds issued to fund Department Projects is subordinate to the payment of Turnpike Revenue Bonds and Subordinated Bonds and the Authority’s obligation to pay the Annual MaineDOT Allocation is subordinate to the Authority’s obligation to pay operating expenses and to meet the requirements of any resolution authorizing the bonds of the Authority. In the years since this statute has been in force, the policies have been strictly followed with an annual accounting.

In April 2014, the Enabling Act was amended to permit the Authority to issue Special Obligation Bonds or Subordinated Bonds in a principal amount not to exceed \$35 million to purchase a section of Interstate 95 in Kittery extending approximately 1.9 miles from the current southern end of the Turnpike to the abutment of the bridge over the Piscataqua River at the New Hampshire Border. This Kittery segment of the Interstate has been maintained by the Authority under contract with MaineDOT. The Authority issued its \$27,555,000 Special Obligation Bonds, Series 2014 (the “2014 Special Obligation Bonds”) to fund the purchase of the Kittery segment for an agreed price of \$30 million and to pay for cost of issuance of the 2014 Special Obligation Bonds. As of February 1, 2025, there were outstanding \$19,395,000 principal amount of the 2014 Special Obligation Bonds, a portion of which constitute the Refunded 2014 Bonds. See “PLAN OF REFUNDING.”

On January 21, 2015, the Authority completed the purchase from MaineDOT of the 1.9 miles described above. In connection with the purchase, (i) payment of principal and interest on Authority’s Special Obligation Bonds, including the 2025 Special Obligation Bonds, will be credited to the Annual MaineDOT Allocation up to an aggregate limit of \$46 million payable over 20 years and, (ii) in consideration for future capital expenditures and repairs to the Kittery segment, the Authority also may credit \$1 million per year for 30 years toward the Annual MaineDOT Allocation, regardless of the amount actually expended by the Authority.

Debt Issuances

As of February 1, 2025, there are outstanding \$475,610,000 principal of Turnpike Revenue Bonds, consisting of the following Turnpike Revenue Bonds and Turnpike Revenue Refunding Bonds:

<u>Turnpike Revenue Bonds</u>	<u>Outstanding Principal Amount</u>
Series 2018	\$146,545,000
Series 2020	<u>130,000,000</u>
Subtotal	\$176,545,000
 <u>Turnpike Revenue Refunding Bonds</u>	 <u>Outstanding Principal Amount</u>
Series 2015*	\$110,650,000
Series 2022	<u>88,415,000</u>
Subtotal	\$199,065,000
 Total	 \$475,610,000

*Includes the Refunded 2015 Bonds. See “PLAN OF REFUNDING.”

Pursuant to the Resolution, the Authority may issue Additional Turnpike Revenue Bonds and additional Subordinated Bonds, including refunding bonds, upon the satisfaction of certain tests set forth therein. See “SECURITY FOR TURNPIKE REVENUE BONDS - Additional Indebtedness.”

Under the Enabling Act, there may be at any one time outstanding bonds, notes or other evidences of indebtedness, exclusive of refundings and below-described special obligation bonds, totaling \$600,000,000 for General MTA Projects and \$150,000,000 for the Gorham Connector Project described herein, \$2.3 million of which were issued in 2020.

PLAN OF REFUNDING

The Bonds are being issued to provide funds which, together with other funds held by the Trustee under the Resolution and available for debt service, will be used, together with other available moneys of the Authority, (i) to refund all or a portion of the Refunded Bonds and (ii) to pay certain costs of issuing the Bonds.

The Refunded 2014 Bonds will be paid redeemed, at a redemption price of 100% of the principal amount thereof, on July 14, 2025*, plus accrued interest thereon to such date. The Refunded 2015 Bonds will be paid redeemed, at a redemption price of 100% of the principal amount thereof, on July 14, 2025*, plus accrued interest thereon to such date.

A portion of the proceeds of each Series of the Bonds, together with other available funds, will be deposited into an escrow fund (each, an “Escrow Fund”) established with the Trustee, in its capacity as Escrow Agent, under a refunding escrow agreement. Moneys in each Escrow Fund will be invested in Defeasance Obligations which, together with interest earnings thereon, will be sufficient to pay the redemption price of the applicable Series of Refunded Bonds on the applicable redemption date. See *Appendix A - Certain Definitions - Defeasance Obligations*, *Appendix B - Summary of Certain Provisions of the Resolution* and *Appendix C - Summary of Certain Provisions of the Special Obligation Resolution*.

The amounts held on deposit in each Escrow Fund will not be pledged as security for any Turnpike Revenue Bonds or Special Obligation Bonds, other than the applicable Refunded Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds received from the sale of the Bonds and other available funds are expected to be applied as follows:

<u>Sources</u>	<u>2025 Turnpike Revenue Bonds</u>	<u>2025 Special Obligation Bonds</u>
Par Amount		
[Net] Original Issue Premium		
Other Available Funds		
Total Sources of Funds		
<u>Uses</u>		
Escrow Fund		
Debt Service Reserve Fund		
Cost of Issuance†		
Underwriters’ Discount		
Total Uses of Funds		

† Includes financial advisor, legal, trustee, rating agency fees and other miscellaneous expenses.

* Preliminary, subject to change.

THE BONDS

The Bonds will be dated, and will bear interest from, the date of delivery of the Bonds, at the rates per annum, payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2025, and will mature on July 1 in the years and principal amounts, all as set forth on the inside cover page of this Official Statement.

The Bonds are issuable only as fully registered bonds, without coupons in the denomination of \$5,000 or any integral multiple thereof. Payments of the principal, interest and premium, if any, will be made to purchasers by DTC through its Direct Participants. See *Appendix E - The Depository Trust Company*.

Redemption Provisions

The 2025 Special Obligation Bonds are not subject to redemption prior to the maturity.

The 2025 Turnpike Revenue Bonds maturing on or before July 1, 2035* are not subject to redemption prior to maturity. The 2025 Turnpike Revenue Bonds stated to mature after July 1, 2035* are subject to redemption prior to maturity at the Authority's option on or after July 1, 2035* either as a whole or in part on any date from such maturities as the Authority may select, from any moneys made available for such purpose at a redemption price equal to the principal amount of such 2025 Turnpike Revenue Bonds, plus accrued interest to the Redemption Date.

During the period that DTC or DTC's partnership nominee is the registered owner of the Bonds, the Trustee shall not be responsible for mailing notices of redemption to the Beneficial Owners of the 2025 Turnpike Revenue Bonds. See *Appendix E - The Depository Trust Company*. Notice of redemption will be provided to Holders not less than thirty (30) nor more than forty-five (45) days before any redemption date in accordance with the Resolution. See *Appendix C - Summary of Certain Provisions of the Resolution - Notice of Redemption*.

If fewer than all of the outstanding 2025 Turnpike Revenue Bonds of any maturity and similar tenor are to be called for redemption, the 2025 Turnpike Revenue Bonds of that maturity (or portions thereof) and tenor to be redeemed will be selected by the Trustee by lot or in any customary manner as determined by the Trustee, provided that for so long as the book-entry-only system remains in effect for the 2025 Turnpike Revenue Bonds, the particular 2025 Turnpike Revenue Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by DTC, in such manner as DTC may determine.

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* Preliminary, subject to change.

DEBT SERVICE REQUIREMENTS

Turnpike Revenue Bonds

The following table sets forth debt service payments to be made in each fiscal year on Outstanding Turnpike Revenue Bonds upon the issuance of the 2025 Turnpike Revenue Bonds. Table may not sum due to rounding.

Year Ending <u>December 31</u>	Outstanding Turnpike Revenue Bonds ⁽¹⁾	<u>2025 Turnpike Revenue Bonds</u>			<u>Total Debt Service</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$41,488,028				
2026	44,392,528				
2027	44,391,528				
2028	44,385,528				
2029	44,383,708				
2030	44,227,618				
2031	33,328,913				
2032	33,327,550				
2033	33,323,550				
2034	29,545,800				
2035	29,545,550				
2036	29,540,800				
2037	29,544,550				
2038	25,918,750				
2039	23,531,550				
2040	23,531,650				
2041	23,529,550				
2042	23,533,150				
2043	19,033,750				
2044	19,037,900				
2045	19,036,500				
2046	19,033,400				
2047	19,037,750				
2048	8,514,400				
2049	8,513,000				
2050	8,511,750				
Total	\$722,188,751				

- (1) See "THE AUTHORITY - Debt Issuances" herein for a list of Outstanding Bonds as of February 1, 2025. Includes debt service on the Refunded 2015 Bonds.

Special Obligation Bonds

The following table sets forth debt service payments to be made in each fiscal year on Outstanding Special Obligation Bonds upon the issuance of the 2025 Special Obligation Bonds. Table may not sum due to rounding.

Year Ending December 31	Outstanding Special Obligation Bonds ⁽¹⁾	2025 Special Obligation Bonds		
		Principal	Interest	Total
2025	\$2,442,800			
2026	2,442,800			
2027	2,442,400			
2028	2,445,900			
2029	2,441,750			
2030	2,443,000			
2031	2,444,200			
2032	2,442,200			
2033	2,442,000			
2034	2,441,250			
Total	\$24,428,300			

- (1) See “THE AUTHORITY - Debt Issuances” herein for a list of Outstanding Bonds as of February 1, 2025. Includes debt service on the Refunded 2014 Bonds.

SECURITY FOR TURNPIKE REVENUE BONDS

Pledge of Revenues and Funds

The principal of, redemption premium, if any, and interest on the Turnpike Revenue Bonds, including the 2025 Turnpike Revenue Bonds, are payable solely from and are equally and ratably secured by a pledge of (i) all Revenues (hereinafter defined), (ii) all moneys and securities on deposit from time to time in all Funds, Accounts and Subaccounts established by the Resolution (except the Rebate Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund) together with the investment income therefrom except to the extent such income is required to be deposited in the Rebate Fund pursuant to a Supplemental Resolution, and (iii) all other moneys (except Subordinated Bond proceeds) and securities to be received, held or set aside by the Authority or by any Fiduciary pursuant to the Resolution (including the proceeds of the 2025 Turnpike Revenue Bonds) on the terms and in the manner provided in the Resolution. The foregoing pledge is subject to certain terms and conditions of the Resolution including the Trustee’s right to reasonable compensation for services rendered. See *Appendix B - Summary of Certain Provisions of the Resolution*.

Revenues means all moneys, funds and other income received by the Authority from the operation of the Turnpike, including, without limitation: (a) all concessions, charges, fees, fares, receipts, rents, tolls, proceeds of any use and occupancy insurance relating to the Turnpike and of any other insurance which insures against loss of Revenues and other income received in connection with the use of the Turnpike and other services made available in connection with the Turnpike, (b) the moneys, funds and investment income received from any investment of the Revenues described in (a), and (c) all investment income with respect to the Accounts and Funds established under the Resolution other than the Capital Fund; provided, however, that Revenues shall not include any moneys, funds or investment income in the Rebate Fund. Revenues shall not include any Non-Turnpike Revenues unless specifically pledged in a Supplemental Resolution. No Non-Turnpike Revenues have been pledged as of the date of this Official Statement.

All Turnpike Revenue Bonds issued and outstanding under the Resolution will be secured, equally and ratably without preference of any Turnpike Revenue Bond over any other Turnpike Revenue Bond, by the pledge created by the Resolution and the covenants of the Authority made in the Resolution. The Authority may issue Additional Bonds under the Resolution on parity with the Turnpike Revenue Bonds. See "Additional Indebtedness" below.

THE TURNPIKE REVENUE BONDS ARE OBLIGATIONS OF THE AUTHORITY PAYABLE FROM THE REVENUES OF THE TURNPIKE PLEDGED THEREFOR. THE TURNPIKE REVENUE BONDS DO NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF MAINE OR A DEBT OF THE STATE OF MAINE OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The enforceability of the Turnpike Revenue Bonds and the Resolution may be limited by the exercise of judicial discretion in accordance with general equitable principles and by bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally heretofore or hereafter enacted to the extent constitutionally enforceable.

The rights and remedies of Bondholders under the Resolution and other related matters are summarized under *Appendix B - Summary of Certain Provisions of the Resolution*.

Toll Rate Covenant

The Authority has covenanted that it will revise the present schedule of tolls for traffic over the Turnpike as may be necessary or proper, in order that the Revenues will at all times be sufficient: (i) to provide funds for the payment of Operating Expenses; and (ii) to provide Net Revenues that are equal to or greater than the Net Revenue Requirement in any Fiscal Year; provided, however, that nothing shall be deemed to limit the Authority's right in its discretion to revise such schedule and such tolls in a reasonable manner in order to provide additional Revenues for making deposits to the General Reserve Fund.

Net Revenue Requirement means, for any stated Fiscal Year, the greater of: (a) one hundred twenty percent (120%) of Debt Service; and (b) one hundred percent (100%) of the sum of (i) Debt Service, (ii) the Required Reserve Maintenance Deposit, (iii) the Required Debt Service Reserve Deposit and (iv) any other Required Deposit set forth in any Supplemental Resolution.

In addition, the Authority has covenanted that tolls will be classified in a reasonable way to cover all traffic, so that the tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any Person included in the traffic, that no reduced rate of toll will be allowed within any such class except through the use of commuter passes or other privileges based upon frequency or volume, and that unless an Authorized Official furnishes the Trustee with a Certificate, based on a Consultant's Report, stating that it is reasonably expected that the Net Revenue Requirement will be satisfied in the current Fiscal Year and in each of the five Fiscal Years following the rate reduction, reclassification or modification of the toll collection system, (a) no reduction, reclassification of toll rates or modification of the toll collection system will be permitted and (b) no free vehicular passage will be permitted over the Turnpike, or any portion thereof, except to members, officers and employees of the Authority and of MaineDOT and their respective agents, certain independent contractors of the Authority and employees thereof and the state police of the State, each while in the discharge of their official duties, and to emergency vehicles authorized by the Authority while performing emergency services on the Turnpike; provided, however, that the Turnpike may be used at any and all times by the armed forces of the United States, the State and any of their allies for defense purposes or preparations therefor free of all tolls and charges, but any structural damage to the Turnpike created by such free use, ordinary deterioration or depreciation excepted, shall be compensated for at cost of repair or replacement.

If the Net Revenues for any Fiscal Year are less than the Net Revenue Requirement or the Required Reserve Maintenance Deposit in any Fiscal Year shall be less than the amounts recommended by the Consulting Engineers for such Fiscal Year, the Authority has covenanted that it will, before the 15th day of February of the following Fiscal Year, request the Consulting Engineers and the Traffic Consultant to prepare a Consultant's Report for the purpose of making recommendations as to a revised schedule of tolls in order that the Net Revenues will be reasonably expected to be at least equal to the Net Revenue Requirement for the next following Fiscal Year, and copies of such request and of the recommendations of the Consulting Engineers shall be filed with the Trustee.

The Authority has covenanted that it will adopt and institute the revised schedule of tolls referred to in the preceding paragraph within one hundred eighty (180) days after receipt of the Consultant's Report referred to therein. The Authority has further covenanted that immediately upon the adoption of any revised schedule of tolls, certified copies thereof will be filed with the Trustee.

If the Authority complies with all recommendations contained in such Consultant's Report in respect of tolls, it will not constitute an Event of Default under the provisions of the Resolution if the total amounts credited to the Debt Service Fund or the Reserve Maintenance Fund in any Fiscal Year shall be less than the Required Debt Service Deposits or the Required Reserve Maintenance Deposits, respectively, for such Fiscal Year, or if the total amount credited to the Debt Service Reserve Fund at the close of any Fiscal Year shall result in the need to make a Required Debt Service Reserve Deposit in order to eliminate a deficiency therein. In the event of any such deficiency or the need for any such Required Debt Service Reserve Deposit, the Trustee or the Holders of not less than fifty per cent (50%) in principal amount of the Turnpike Revenue Bonds Outstanding, or if no Turnpike Revenue Bonds are Outstanding, Subordinated Bonds Outstanding, may, however, and the Trustee shall, upon the request of the Holders of not less than twenty-five per cent (25%) in principal amount of the Turnpike Revenue Bonds then Outstanding, or if no Turnpike Revenue Bonds are Outstanding, Subordinated Bonds Outstanding, and upon being indemnified to its satisfaction, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the Authority to revise the schedule of tolls. The Authority has covenanted that it will adopt and charge tolls in compliance with any final order, decree or judgment entered in any such proceeding, or any modification thereof.

Operation and Maintenance of the Turnpike

Pursuant to the Resolution, the Authority has covenanted that it shall at all times operate or cause to be operated the Turnpike properly and in a sound and economical manner and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Turnpike may be properly and advantageously conducted. See *Appendix B - Summary of Certain Provisions of the Resolution*.

Debt Service Reserve Requirement

The Debt Service Reserve Requirement is, for any stated Fiscal Year, with respect to all Outstanding Tax-Exempt Obligations under the Resolution, an amount equal to one-half the maximum annual Debt Service on all Outstanding Turnpike Revenue Bonds for the current Fiscal Year and any future Fiscal Year during which Turnpike Revenue Bonds are Outstanding. This applies as long as the Net Revenues for each of the two consecutive immediately preceding Fiscal Years were at least equal to two hundred percent (200%) of the Debt Service on all Outstanding Turnpike Revenue Bonds in each of such Fiscal Years; otherwise the Debt Service Reserve Fund Requirement is the maximum annual Debt Service on all Outstanding Turnpike Revenue Bonds for the current and any future Fiscal Year such Turnpike

Revenue Bonds are Outstanding. In no event, however, shall the Debt Service Reserve Requirement be greater than the Maximum Debt Service Reserve Requirement.

Since the Authority's Net Revenues for Fiscal Years 2023 and 2024 exceeded two hundred percent (200%) of the Debt Service on all Outstanding Turnpike Revenue Bonds in such years, the Debt Service Reserve Requirement is one-half of the maximum annual Debt Service on all Outstanding Turnpike Revenue Bonds. See "DEBT SERVICE REQUIREMENTS." The Debt Service Reserve Requirement, following the issuance of the Bonds, will be satisfied by the combination of (i) the amount currently on deposit in the Debt Service Reserve Fund and (ii) a deposit from the proceeds of the 2025 Turnpike Revenue Bonds. See "SOURCES AND USES OF FUNDS."

In the event that the Debt Service Reserve Requirement has been increased as a result of (A) the total Net Revenues being less than two hundred percent (200%) of the total Debt Service on Outstanding Turnpike Revenue Bonds in either of the two immediately preceding Fiscal Years, the Authority may establish one or more additional separate Accounts within the Debt Service Reserve Fund for the increased amount which may be funded in level monthly payments over a 12 month period beginning with the month of January following such two immediately preceding Fiscal Years (except that any such monthly payments from prior months which have not been funded shall be funded immediately) or (B) the issuance of any Additional Turnpike Revenue Bonds, the Authority may establish one or more additional separate Accounts within the Debt Service Reserve Fund for the increased amount which may be funded in level monthly payments over a 36 month period, beginning with the month next following the issuance of such Additional Turnpike Revenue Bonds.

The Resolution requires the Authority to fund the Debt Service Reserve Requirement with cash and investments or with a surety policy or letter of credit meeting the Resolution requirements. See *Appendix B - Summary of Certain Provision of the Resolution*.

Additional Indebtedness

Additional Turnpike Revenue Bonds

Provided that there are no deficiencies in any Fund or Account, and there is no Event of Default which has occurred and is continuing and the issuance of such Turnpike Revenue Bonds will not exceed any statutory limitation on the issuance of Turnpike Revenue Bonds by the Authority, the Authority may from time to time issue and deliver one or more Series of Additional Turnpike Revenue Bonds for the purpose of (i) refunding any one or more Series, or one or more maturities within any Series, of Outstanding Secured Bonds or Unsecured Bonds (to the extent that Secured Bonds could be issued for the purposes for which such Unsecured Bonds were issued if such Unsecured Bonds had been issued at the time of such refunding) or (ii) paying for all or a portion of the Costs of a Turnpike Project.

Additional Turnpike Revenue Bonds shall be on a parity and shall be secured equally and ratably with the Turnpike Revenue Bonds and any Additional Turnpike Revenue Bonds theretofore or thereafter issued and Outstanding, as to the Bond Pledged Collateral. The incurrence of any Additional Turnpike Revenue Bonds is subject to certain conditions, including satisfaction of tests with respect to Net Revenues. For additional information on the issuance of Additional Turnpike Revenue Bonds see *Appendix B - Summary of Certain Provisions of the Resolution - Issuance and Delivery of Additional Bonds*.

The supplemental resolution entered into in connection with a Series of Additional Turnpike Revenue Bonds shall establish and provide for those documents and instruments which must be received by the Trustee, and any other conditions which must be fulfilled, before the Trustee may authenticate and deliver such Additional Turnpike Revenue Bonds.

Subordinated Bonds

The Authority may from time to time issue and deliver one or more Series of Subordinated Bonds for the purpose of (i) refunding any one or more Series, or one or more maturities within any Series, of Outstanding Secured Bonds or Unsecured Bonds (to the extent that Secured Bonds could be issued for the purposes for which such Unsecured Bonds were issued if such Unsecured Bonds had been issued at the time of such refunding) or (ii) paying for all or a portion of Costs of Turnpike Projects.

Subordinated Bonds shall not be on a parity with the Turnpike Revenue Bonds or any Additional Turnpike Revenue Bonds theretofore or thereafter issued and Outstanding, as to the Bond Pledged Collateral, but shall be payable solely from and secured by moneys, funds and investment income in the Improvement Account, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund; provided, however, that the Resolution shall not prevent payment of Debt Service Charges on any Series of Subordinated Bonds from being otherwise secured and/or protected with a Credit Facility or from sources or property or instruments not applicable to any one or more Series of Turnpike Revenue Bonds.

Before any Subordinated Bonds may be issued by the Authority and authenticated by the Trustee for delivery, the Authority shall furnish the Trustee with a Certificate of an Authorized Official, based upon Certified Financial Statements, stating that Net Revenues were at least equal to the Net Revenue Requirement for the Fiscal Year immediately preceding the Fiscal Year in which the Subordinated Bonds will be issued.

The Supplemental Resolution entered into in connection with a Series of Subordinated Bonds shall establish and provide for those documents and instruments which must be received by the Trustee, and any other conditions which must be fulfilled, before the Trustee may authenticate and deliver such Subordinated Bonds.

There currently are no Subordinated Bonds outstanding.

Notes

Whenever the Authority shall authorize the issuance of a Series of Secured Bonds, the Authority may, by resolution, authorize the issuance of notes (and renewals thereof) in anticipation of the issuance of such Secured Bonds. The principal of and interest on such notes and renewals thereof shall be payable from the proceeds of such notes or from the proceeds of the sale of the Series of Secured Bonds in anticipation of which such notes are issued. The proceeds of such Secured Bonds may be pledged for the payment of the principal of and interest on such notes and any such pledge shall have a priority over any other pledge of such proceeds created by the Resolution. Any such notes may be secured by the lien of the Pledge in which event such interest shall be payable from the Debt Service Fund. Any such notes may otherwise be secured by the lien of the Subordinated Pledge in which event such interest shall be payable from the Subordinated Debt Service Fund.

Amendments

The Twenty-Fourth Supplemental Resolution amends the General Resolution definition of “Defeasance Obligations” which the Holders of the 2025 Turnpike Revenue Bonds are deemed to have consented to through the purchase of the Bonds. This amendment will take effect upon receipt of the requisite Bondholder consents under the Resolution. See *Appendix A - Certain Definitions* for the details of the amendment and *Appendix B - Summary of Certain Provisions of the Resolution - Supplemental Resolutions, Amendments and Modifications* for a description of the required consents.

SECURITY FOR SPECIAL OBLIGATION BONDS

Pledge of Special Obligation Revenues and Funds

The principal of, redemption premium, if any, and interest on Special Obligation Bonds, including the 2025 Special Obligation Bonds, are payable solely from and are equally and ratably secured by a pledge of (i) all Special Obligation Revenues, (ii) all moneys and securities in any of the Funds, Accounts and Subaccounts established by the Special Obligation Resolution (except the Rebate Fund), together with the investment income therefrom except to the extent such income is required to be deposited in the Rebate Fund pursuant to a resolution supplemental to the Special Obligation Resolution, and (iii) all other moneys and securities to be received, held or set aside by the Authority or by any Fiduciary pursuant to the Special Obligation Resolution on the terms and in the manner provided in the Special Obligation Resolution. The foregoing pledge is subject to certain terms and conditions of the Special Obligation Resolution including the Trustee's right to reasonable compensation for services rendered. See *Appendix C – Summary of Certain Provisions of the Special Obligation Bond Resolution*.

Special Obligation Revenues means (a) any moneys, funds and other income transferred to the Trustee for deposit in the Debt Service Fund established pursuant to the Special Obligation Resolution from the Department of Transportation Provision Account or any other account established under the General Resolution, (b) the moneys, funds and investment income received from any investment of Special Obligation Revenues described in (a), and (c) all income with respect to the Accounts and Funds established under the Special Obligation Resolution; provided, however, that Special Obligation Revenues shall not include any moneys, funds or investment income in the Rebate Fund. Special Obligation Revenues shall not include any Revenues under the Resolution and the Bondholders of the Special Obligation Bonds will have no lien thereon.

All Special Obligation Bonds issued and outstanding under the Special Obligation Resolution will be secured, equally and ratably without preference of any Special Obligation Bond over any other Special Obligation Bond, by the pledge created by the Special Obligation Resolution and the covenants of the Authority made in the Special Obligation Resolution. The Authority may issue additional Special Obligation Bonds (“Additional Special Obligation Bonds”) under the Special Obligation Resolution on a parity with the Special Obligation Bonds. See “SECURITY FOR THE SPECIAL OBLIGATION BONDS — Additional Indebtedness.”

THE 2014 SPECIAL OBLIGATION BONDS WILL BE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE FROM THE SPECIAL OBLIGATION REVENUES PLEDGED THEREFOR. THE 2014 SPECIAL OBLIGATION BONDS SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF MAINE OR A DEBT OF THE STATE OF MAINE OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The enforceability of the Special Obligation Bonds and the Special Obligation Resolution may be limited by the exercise of judicial discretion in accordance with general equitable principles and by bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally heretofore or hereafter enacted to the extent constitutionally enforceable.

The rights and remedies of Bondholders of Special Obligation Bonds under the Special Obligation Resolution and other related matters are summarized under *Appendix C – Summary of Certain Provisions of the Special Obligation Bond Resolution*.

Deposits to Department of Transportation Provision Account

The Enabling Act authorizes the Authority to provide for an annual amount not to exceed \$4,700,000 of Turnpike revenues to secure Special Obligation Bonds issued to finance Department of Transportation Projects after adequate provision has been made to pay operating expenses of the Turnpike and to meet the requirements of any resolution authorizing revenue bonds of the Authority. In the Resolution, the Authority has covenanted to deposit all Turnpike Revenues in the Revenue Fund established pursuant thereto (the “Turnpike Revenue Fund”). The Authority has further covenanted that moneys on deposit in the Turnpike Revenue Fund will be applied monthly, after setting aside an amount for Operating Expenses equal to fifteen percent of the current Annual Budget’s Operating Expense requirement, in the following order:

- (a) to satisfy the next succeeding interest payment coming due with respect to outstanding Turnpike Revenue Bonds,
- (b) to satisfy the next succeeding principal payment coming due with respect to outstanding Turnpike Revenue Bonds,
- (c) to maintain the Debt Service Reserve Fund established for the Turnpike Revenue Bonds at its requirement,
- (d) to satisfy the Required Reserve Maintenance Deposit for such fiscal year,
- (e) the remaining balance to the General Reserve Fund.

Moneys on deposit in the General Reserve Fund are to be applied monthly, pursuant to a certificate of the Authority, in the following order:

- (a) to make up any deficiencies which might then exist in the Interest Account, the Principal Account and the Debt Service Reserve Fund,
- (b) to make required deposits in respect of debt service on, and the debt service reserve requirement established for, Subordinated Bonds issued pursuant to the Resolution,
- (c) to make required deposits to the Insurance Account in the General Reserve Fund,
- (d) to make required deposits to the Improvement Account in the General Reserve Fund,
- (e) to make required deposits to the Department of Transportation Provision Account in the General Reserve Fund,
- (f) to make required deposits to the Interchange Account in the General Reserve Fund, and
- (g) the balance to the Improvement Account in the General Reserve Fund.

See the subheadings “Revenue Fund” and “General Reserve Fund” in *Appendix B — Summary of Certain Provisions of the Resolution* for a further description of the flow of funds under the Resolution.

The Authority has covenanted in the Special Obligation Resolution to transfer from the Department of Transportation Provision Account in the General Reserve Fund established under the Resolution, on or before each June 20 and December 20, to the Debt Service Fund established under the Special Obligation

Resolution amounts sufficient to pay debt service on the Special Obligation Bonds when due, to the extent such amounts are available under the Resolution.

Special Obligation Resolution Toll Covenant

The Authority has covenanted in the Special Obligation Resolution (i) to maintain in effect at all times a schedule of tolls for the Turnpike at a level sufficient to enable the Authority to transfer to the Trustee under the Special Obligation Resolution (a) amounts sufficient to pay debt service on the Special Obligation Bonds when due and (b) with respect to any unpaid reimbursement obligation or due and unpaid debt service charges relating to a series of Special Obligation Bonds, the amounts required by the supplemental resolution authorizing the credit facility for such series of Special Obligation Bonds (the amounts referred in clauses (a) and (b) being herein collectively referred to as the “Required Transfers”), and (ii) to comply with the toll rate covenant contained in the Resolution.

If the Authority determines that it will not be able to meet its covenant to make the Required Transfers, either in the current Fiscal Year or the next following Fiscal Year as set forth in its most recent written certification of such amounts approved pursuant to the Authority’s budgeting process, the Authority covenants that it will, within sixty (60) days of such determination, request the Consulting Engineers and the Traffic Consultant to prepare a Consultant’s Report for the purpose of making recommendations as to a revised schedule of tolls in order that it will be able to meet its obligation to make the Required Transfers for the next following Fiscal Year, and copies of such request and of the recommendations of the Consulting Engineers shall be filed with the trustee for the Special Obligation Bonds.

Anything in the Special Obligation Resolution to the contrary notwithstanding, if the Authority shall comply with all recommendations contained in such Consultant’s Report in respect of tolls, it will not constitute an event of default under the provisions of the Special Obligation Resolution if the total amounts transferred to the debt service fund under the Special Obligation Resolution shall be less than the Required Transfers. In the event of any such deficiencies, the trustee for the Special Obligation Bonds or the holders of not less than fifty percent (50%) in principal amount of the Special Obligation Bonds outstanding may, however, and the trustee for the Special Obligation Bonds shall, upon the request of the holders of not less than twenty-five percent (25%) in principal amount of the Special Obligation Bonds outstanding, and upon being indemnified to its satisfaction, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the Authority to revise the schedule of tolls. The Authority covenants that it will adopt and charge tolls in compliance with any final order, decree or judgment entered in any such proceeding, or any modification thereof.

In the event that the Authority shall request the Consulting Engineers and the Traffic Consultant to prepare a Consultant’s Report as provided above and the Consulting Engineers and the Traffic Consultant, after such request by the Authority, shall fail to file with the Authority a written Consultant’s Report within ninety (90) days after such request, the Authority shall immediately designate and appoint other independent engineers or engineering firms or corporations with the qualifications of Consulting Engineers and Traffic Consultant to prepare such written Consultant’s Report on or before the following June 1. Such written Consultant’s Report shall for all purposes be considered to be the equivalent of and substitute for the written Consultant’s Report of the Consulting Engineers and Traffic Consultant referred to above.

The Authority covenants that it will adopt and institute the revised toll schedule within one hundred eighty (180) days after receipt of either of the Consultant’s Reports referred to above. The Authority further covenants that immediately upon the adoption of any revised schedule of tolls certified copies thereof will be filed with the trustee for the Special Obligation Bonds.

Additional Indebtedness

Additional Special Obligation Bonds

Provided that there are no deficiencies in any Fund or Account, and there is no Event of Default under the Special Obligation Resolution which has occurred and is continuing, the Authority may from time to time issue and deliver one or more Series of Additional Special Obligation Bonds for the purpose of refunding one or more Series, or one or more maturities within any Series, of Outstanding Special Obligation Bonds, or paying for all or a portion of the Costs of a Department of Transportation Project or paying for the Costs of the Kittery Acquisition.

Additional Special Obligation Bonds shall be on a parity and shall be secured equally and ratably with the Special Obligation Bonds and any Additional Special Obligation Bonds theretofore or thereafter issued and Outstanding, as to the Pledged Collateral. The incurrence of any Additional Special Obligation Bonds is subject to certain conditions, including satisfaction of tests with respect to Net Revenues. For additional information on the issuance of Additional Special Obligation Bonds see *Appendix C – Summary of Certain Provisions of the Special Obligation Bond Resolution – Issuance and Delivery of Additional Bonds*.

The Supplemental Resolution entered into in connection with a Series of Additional Special Refunding Bonds shall establish and provide for those documents and instruments which must be received by the Special Obligation Trustee, and any other conditions which must be fulfilled, before the Special Obligation Trustee may authenticate and deliver such Additional Special Obligation Bonds.

Notes

Whenever the Authority shall authorize the issuance of a Series of Special Obligation Bonds, the Authority may, by resolution, authorize the issuance of notes (and renewals thereof) in anticipation of the issuance of such Special Obligation Bonds. The principal of and interest on such notes and renewals thereof shall be payable from the proceeds of such notes or from the proceeds of the sale of the Series of Special Obligation Bonds in anticipation of which such notes are issued. The proceeds of such Special Obligation Bonds may be pledged for the payment of the principal of and interest on such notes and any such pledge shall have a priority over any other pledge of such proceeds created by the Special Obligation Resolution. The Authority may authorize that any such notes be secured by the lien of the Pledge in which event such interest shall be payable from the Debt Service Fund. A copy of the supplemental resolution of the Authority authorizing such notes, certified by an Authorized Official of the Authority, shall be delivered to the Special Obligation Trustee following its adoption.

SUMMARY OF HISTORICAL OPERATIONS

Historical Traffic Trends and Toll Revenue

The following table summarizes traffic and toll revenue collections for Fiscal Years 2019 through 2024.

Historical Traffic and Toll Revenue (in thousands)						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Vehicles						
Passenger	81,782	62,323	75,851	79,161	83,079	87,005
Commercial	8,179	7,988	8,423	8,543	8,392	8,575
Non-Revenue	320	263	262	260	267	272
Total Vehicles ⁽¹⁾	90,281	70,574	84,536	87,964	91,738	95,852
Increase (Decrease)	2.05%	(21.83%)	19.78%	4.06%	4.29%	4.48%
Toll Revenue						
Passenger	\$107,412	\$80,659	\$101,326	\$115,123	\$119,912	\$124,651
Commercial	46,676	45,401	\$49,335	\$55,801	\$54,665	\$55,758
Adjustments, Volume Discounts ⁽²⁾	(14,124)	(10,600)	(11,889)	(10,694)	(10,395)	(10,857)
Net Toll Revenue ⁽¹⁾	\$139,964	\$115,460	\$138,772	\$160,230	\$164,182	\$169,552
Increase (Decrease)	-	(17.51%)	20.19%	15.46%	2.47%	3.27%

Source: The Authority.

(1) Totals may not add due to rounding.

(2) Includes cash over/short accounts of individual collectors in the aggregate and volume discounts allowed for charge account customers.

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The following schedule summarizes monthly traffic volume and net toll revenue for Fiscal Years 2019 through 2024 and for the two months ended February 28, 2025.

Monthly Traffic and Net Revenues

	<u>Traffic, All Vehicles⁽¹⁾</u>						
	<u>2019</u>	<u>2020</u>	<u>2021¹</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽³⁾</u>
January	6,086,063	6,371,702	5,146,360	5,499,648	6,064,240	6,447,615	6,908,668
February	5,770,754	6,045,846	4,769,244	5,552,914	5,843,447	6,588,738	5,914,867
March	6,719,406	5,203,992	5,980,371	6,623,936	6,731,403	7,001,445	
April	6,860,480	3,173,403	6,180,396	6,749,629	6,856,831	7,111,072	
May	7,880,409	4,503,022	7,130,571	7,490,621	8,075,915	8,405,647	
June	8,223,788	5,834,747	8,087,833	8,086,475	8,515,819	8,724,164	
July	9,489,904	7,202,500	9,171,545	9,059,555	9,437,759	9,783,172	
August	9,813,228	7,686,561	9,178,356	9,288,935	9,777,894	10,033,394	
September	8,031,907	6,927,957	7,931,806	8,243,117	8,259,099	8,597,586	
October	8,052,515	6,911,110	7,852,539	7,883,393	8,052,080	8,711,135	
November	6,806,737	5,426,253	6,641,728	6,796,535	7,127,598	7,241,918	
December	6,545,639	5,287,331	6,465,790	6,688,484	6,995,581	7,206,476	
Totals ⁽²⁾	90,280,830	70,574,424	84,536,539	87,963,242	91,737,666	95,852,362	

	<u>Net Toll Revenue⁽²⁾</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽³⁾</u>
January	\$9,269,649	\$9,578,162	\$8,405,394	\$10,133,099	\$10,840,552	\$11,287,362	\$12,129,176
February	8,862,906	9,238,620	7,791,316	10,237,444	10,507,852	11,570,109	10,540,507
March	10,193,938	8,739,363	9,648,105	12,110,666	12,037,106	12,283,796	
April	10,680,467	5,996,602	10,033,181	12,282,135	12,297,176	12,628,356	
May	12,258,784	7,892,275	11,456,615	13,315,720	14,459,371	14,815,130	
June	12,880,232	9,759,795	12,946,962	14,865,334	15,337,024	15,576,291	
July	14,910,778	11,786,342	14,640,741	16,670,500	17,071,126	17,388,285	
August	15,478,920	12,509,750	14,647,399	17,042,714	17,718,519	17,967,563	
September	12,474,069	11,263,263	12,714,518	15,056,461	14,776,618	15,327,813	
October	12,414,397	11,253,107	12,635,738	14,315,049	14,340,048	15,465,450	
November	10,483,677	8,920,417	12,195,388	12,319,913	12,629,097	12,729,048	
December	10,056,154	8,522,516	11,656,348	11,880,788	12,167,922	12,513,165	
Totals ⁽²⁾	\$139,963,970	\$115,460,212	\$138,771,705	\$160,229,824	\$164,182,412	\$169,552,368	

Source: The Authority.

(1) Includes commuter vehicles and all other non-revenue vehicles.

(2) Any differences in sums due to rounding.

(3) Unaudited partial year, through February 28, 2025.

Historical Operating Results and Deposits

Since 2021, has averaged annual growth of 4.5% in traffic and 7.4% in net toll revenue due to increasing numbers of commuters returning to the office and visitors from out of state. Commercial vehicles averaged annual growth of 0.6% for traffic and 4.3% for revenue. The Authority adjusted tolls by 13% in November 2021. Traffic and revenue in February 2025 was down due primarily to adverse weather conditions in Maine. The Authority has five service plazas on the turnpike and contracts with Applegreen to operate the restaurants and C.N. Brown to operate the gas stations. As part of the contract, the Authority collects monthly rent from the service operators. Over the last three years, concession rent has averaged annual growth of 10.9%, see footnote #9 of the Financial Statements in *Appendix D - Financial Statements of the Authority*.

Employee wages and related benefits, depreciation, and preservation expenses for the Authority's infrastructure are the primary contributors to increases in total operating expenses of the Authority.

The Authority has increased Reserve Maintenance Fund Deposits (as defined in the Resolution) to replace and rehabilitate bridges, interchanges, highway and maintenance facilities, many of which north of Portland were placed in service almost 70 years ago.

The following table presents historical operating results of the Authority for Fiscal Years 2019 through 2024, as derived from the audited financial statements of the Authority.

Historical Operating Results and Deposits (in thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenue						
Net Tolls	\$139,964	\$115,460	\$138,772	\$160,230	\$164,182	\$169,552
Concession Rental	4,753	2,912	4,405	5,458	5,556	5,847
Investment Income ⁽¹⁾	4,736	1,058	38	3,861	11,327	11,351
Miscellaneous	2,035	2,078	2,458	2,807	3,335	3,910
Total Revenues	\$151,488	\$121,508	\$145,673	\$172,356	\$184,400	\$190,660
Total Operating Expenses	\$43,152	\$40,479	\$38,286	\$40,262	\$46,410	\$47,773
Net Operating Revenues	\$108,336	\$81,029	\$107,387	\$132,094	\$137,990	\$142,887
Debt Service ⁽²⁾	\$35,169	\$35,500	\$39,556	\$40,272	\$41,953	\$41,339
Reserve Maintenance Fund Deposit	\$39,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
MaineDOT Provision Account Deposit ⁽³⁾	\$2,443	\$2,442	\$2,444	\$2,446	\$2,442	\$2,444
Other General Reserve Fund Deposits (Transfers)	\$31,724	\$3,087	\$25,387	\$49,376	\$53,595	\$59,104
Debt Service Coverage ⁽⁴⁾	3.08	2.28	2.71	3.28	3.29	3.46

Source: The Authority.

- (1) Capital Fund and Rebate Fund earnings, consistent with the Resolution, are not included in Investment Income.
- (2) Represents Debt Service deposits on the outstanding Turnpike Revenue Bonds only.
- (3) The deposits have been transferred to the Trustee to pay Debt Service on the Special Obligation Bonds.
- (4) Net Operating Revenues divided by Debt Service on the Turnpike Revenue Bonds.

THE TURNPIKE

History of the Turnpike

The Turnpike first opened for traffic on December 13, 1947. Originally developed at a cost of \$20,462,000, it began as a 45-mile, four lane divided highway running from Kittery to Portland. Movement for an extension to Augusta began in the late 1940s, shortly after the original Turnpike opened. In 1955, spurred by a determination that an extension of the toll road to cities north of Portland would accelerate economic development, the Turnpike opened a 66-mile extension to Augusta, including a four-mile spur to U.S. Route 1 in Falmouth. Through the years, the Turnpike has strived to relieve traffic congestion in the State's southern tier and catalyze development for inland regions.

Description and Service Area

The Turnpike currently extends 109 miles from the Piscataqua River Bridge at the New Hampshire border north to Augusta. The Turnpike is incorporated into the Interstate Highway System as part of Interstate 95 although it receives no financial support from state or federal sources. Major communities served include Kittery, Biddeford, Saco, Portland, Westbrook, Auburn, Lewiston and Augusta.

The Turnpike is a controlled access divided highway with barrier guardrail placed within a 26-foot median that runs for the entire length of the highway. The median consists of an 18-foot-wide grass center and two 4-foot paved shoulders. From mile 0.3 to 1.3 and 43 to 49, the median includes a concrete barrier. The northern section of the Turnpike through Portland, north of Exit 48, to Augusta consists of two 12-foot travel lanes and an 8-foot outer shoulder on both roadways. The southern section from Kittery to Exit 48 in Portland consists of three 12-foot travel lanes and a widened 12-foot outer shoulder on each roadway.

The Turnpike owns and maintains 201 bridges or culverts at least 10 feet in length and many other significant structures. The Turnpike operates 19 toll plazas, five service areas, seven highway maintenance facilities, three mechanic garages, a body shop, a sign shop, and a headquarters building that also houses E-ZPass customer service, a Transportation Management & Communications Center and Troop G of the Maine State Police. The Maine Turnpike directly employs its own staff of customer service representatives, violation enforcement personnel, finance managers, and information technicians including systems analysts and code writers.

Interstate 295 Alternative

Interstate 295 is a state operated freeway that begins at Turnpike Exit 44 in Scarborough and ends by rejoining the Turnpike at Exit 103 in West Gardiner, eight miles south of Augusta. I-295 was opened in 1973 to provide a more easterly route from Portland to West Gardiner with improved service to the coast. It is also a competitive non-tolled alternative for through traffic between Portland and West Gardiner although a toll is charged from the point where the two Interstates are conjoined in West Gardiner for the remaining distance to Augusta.

Although the Turnpike route to Augusta is about four miles longer than I-295, the speed limit on the Turnpike is higher through some of its length and the Turnpike collects tolls on this section with open road tolls that allow vehicles to pay electronically at highway speed. The Turnpike has higher maintenance standards and less traffic congestion than the I-295 alternative and it provides the primary access to major inland communities such as Lewiston and Auburn, Maine's second and seventh largest cities, respectively.

Toll Rates and Collections

The Authority's toll rates are adequate to pay operating expenses, debt service, reserve maintenance deposits, and the costs of Turnpike improvements and Department Projects in partnership with MaineDOT. The last toll increase took effect November 1, 2021. See *Appendix H - Toll Schedules* for the current toll rates.

Currently, vehicles may enter and exit the southern seven-mile section of the Turnpike from the Piscataqua River Bridge to the York Toll Plaza (the "Kittery Section") without paying a toll. Federal transportation policies prohibit the placement of any toll barrier on the Kittery Section. Free passage on the Turnpike is limited by the Resolution and the Special Obligation Resolution to only the Maine State Police, employees of the Authority, MaineDOT and their respective agents, certain independent contractors of the Authority while in the discharge of their official duties, emergency vehicles authorized by the Authority and members of the armed forces of the United States for defense purposes.

The Turnpike operates as a closed barrier system from the York toll plaza to New Gloucester and as an open barrier system north of New Gloucester. At each of 19 collection sites, tolls may be paid either electronically through E-ZPass or in cash through on-site toll collectors. Each toll on the Turnpike has dedicated lanes for E-ZPass transactions. The Authority has also implemented open road tolling ("ORT") plazas on the mainline at York, New Gloucester, West Gardiner, Scarborough I-295, West Gardiner I-295 and on the Falmouth spur. These permit E-ZPass drivers to pass through the center of the tolling facility at highway speed.

Electronic Tolling Collection

Since February 1, 2005, the Maine Turnpike has been a member of the E-ZPass Interagency Group (IAG), a regional consortium of 38 authorities in 21 states who share a common system for electronic tolling. E-ZPass extends from Maine west to Minnesota and south to Florida. E-ZPass is the largest interoperable toll network in the world with 59 million transponders processing over \$13.9 billion in electronic toll revenues each year. All member agencies reciprocate by promptly crediting tolls for one another under their bi-lateral agreements.

In 2012, the IAG switched to a new E-ZPass transponder that allowed the Maine Turnpike to drop its transponder price on February 1, 2012, from \$25 to \$10 and still cover costs. When tolls were increased on November 1, 2012, the Maine Turnpike replaced a cumbersome commuter discount program with automatic volume discounts that made it possible to sell transponders on-line for the first time. As a result, the Authority's E-ZPass sales have since doubled and online sales now account for more than half of all transponder sales.

The percentage of tolls collected by E-ZPass on the Turnpike rose from 40% of toll revenue in 2006 to 88% in 2024, among the highest penetration rates in the country. Future increases will continue, but at a much slower pace due to the difficulty of selling E-ZPass to out-of-state visitors, to Maine travelers who use the Turnpike infrequently, and to drivers with limited access to banking institutions.

To enforce tolls against violators is a persistent challenge even within the IAG. While home address information for a look-up fee is available from many states and some provinces, enforcement reciprocity is not. In August 2011, Maine, New Hampshire, and Massachusetts became the first three independent state agencies in the U.S. to enforce collection against each other's citizens by suspending or holding vehicle registrations. While collections under the program have been modest, it is assumed that many motorists from the tri-state area who once avoided tolls are now paying. A cash survey in 2013 revealed that 23% of traffic in Maine's cash lanes comes from New Hampshire and Massachusetts. In 2012, state law was

changed to permit the Turnpike to send notices of liability by ordinary mail rather than by certified mail, thus saving over \$50,000 per year within the Turnpike's violation enforcement system.

Cash Toll Collection

Each toll plaza on the Turnpike retains traditional cash collection booths. While the significant increase in E-ZPass users has caused the percentage of cash collections to decline from 39.5% in 2011 to 12% in 2024, the amount of cash collected annually has declined by 50% from \$40.15 million in 2011 to \$20.6 million in 2024. Personnel in the Fare Collections Department are responsible for collecting, sorting, and reporting all toll receipts in preparation for daily pickup by a security service and immediate deposit with the Turnpike's banking institution.

Even as the Authority continues to collect cash manually at its toll plazas; in 2024 the MTA hired HNTB to conduct a cash survey and study the feasibility to convert to some form of All Electronic Tolling (AET). These studies are expected to be completed in mid-2025.

Personnel, Labor Relations, Retirement Plan and Other Post-Employment Benefits

As of February 2025, the Authority had approximately 337 permanent employees, nine on-call toll collectors, one highway maintenance personnel who works only during the winter, and approximately 75 temporary agency workers who support Fare Collection and Customer Service.

Most of the Authority's employees are represented by the Maine State Employees Association (MSEA) in three bargaining units, one for Headquarters employees (approximately 42 members), one for Operations & Maintenance employees (approximately 132 members) and one for Fare Collection employees (approximately 101 members). Those who are not union members include 26 in management, 53 professional and technical personnel, 15 seasonal and on-call workers, and approximately 75 intermittent contract workers through temp agencies.

MSEA is affiliated with Service Employees International Union (SEIU) as Local 1989, AFL CIO, CLC (Canadian Labor Council). The current contracts governing each bargaining unit remain in effect through December 31, 2026.

All full-time, permanent employees of the Authority are required to participate in Regular Plan A of the Consolidated Plan for Participating Local Districts (the Plan) administered by the Maine Public Employees Retirement System (MainePERS), a multiple-employer defined benefits pension plan that substitutes for participation in Social Security. MainePERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. MainePERS issues a comprehensive audited financial report which includes additional information regarding the Plan and is available at www.maineopers.org. A deferred compensation plan under IRC 457(c) is also available. Additional benefits include an employee life insurance plan, a health plan and a dental plan, with coverage available for dependents at a shared cost.

Pension Liability

The Authority contributes to MainePERS, as part of the Participating Local District (PLD) Consolidated Plan, which is a cost sharing multiple employer defined benefit pension plan. In accordance with Maine law and the Plan's Board, participants from the Authority are required to contribute 6.75% or 7.50% of their annual compensation, depending on the date they were hired. The Authority is required to contribute at an actuarially determined percentage of employee earned compensation that, when combined with the contributions of other reporting entities, will adequately fund the Plan. The Authority's

contributions were \$3,153,146 in Fiscal Year 2024 and \$2,984,261 in Fiscal Year 2023 with a 10.2% contribution rate in Fiscal Year 2023 through June 30, 2024 and 9.9% thereafter. The pension liability was \$11,427,851 in Fiscal Year 2024 and \$9,066,685 in Fiscal Year 2023. The Authority has fully funded its share of the pension fund. As of July 2024, the Plan as a whole was funded at 91.1% of its actuarial accrued liability. For more information on the Authority's pension liability, see footnote #8 of the Financial Statements in *Appendix D - Financial Statements of the Authority*.

Other Post-Employment Benefit (OPEB)

The Authority's total unfunded actuarial accrued liability for OPEB was \$25,258,413 as of December 31, 2024 and \$38,349,346 as of December 31, 2023. The Authority funds its post-employment benefit liabilities on a pay-as-you go basis. The Authority continues to partially fund the annual required contribution. The Authority's total OPEB expense(income) for Fiscal Year 2024 was \$(5,112,953) of which the Authority funded \$1,172,187 and the total OPEB expense(income) for Fiscal Year 2023 was \$(2,076,979), of which the Authority funded \$1,363,926. For more information on the Authority's OPEB liability, see footnote #10 of the Financial Statements in *Appendix D - Financial Statements of the Authority*.

Budget Procedures

By October 20 of each year, the Authority adopts a preliminary budget of Operating Expenses for the ensuing Fiscal Year (which begins January 1). The budget includes: (i) the Required Debt Service Deposit for the year in an amount not less than the Debt Service Charges on all Secured Bonds reasonably expected to be outstanding during the Fiscal Year; (ii) the Required Reserve Maintenance Deposit for the Fiscal Year in an amount not less than what is recommended by the Consulting Engineers to be deposited into the Reserve Maintenance Fund, (iii) any anticipated Debt Service Reserve Deposit required by the end of the current Fiscal Year, and (iv) the required deposits to the MaineDOT Provision Account for Special Obligation Bonds. The final budget of Operating Expenses is adopted by December 20 of each year.

See *Appendix B - Summary of Certain Provision of the Resolution - Annual Budgets and Certification of Required Deposits*.

The Authority's annual revenue fund budget is subject to review and approval by the Maine Legislature. Generally, the Legislative approval is expected by June in odd-numbered years and by April in even-numbered years. Members of the Authority then approve the budget by December 20.

Investment Policy

All investments of the Authority's funds are made in accordance with the provisions of the Resolution and the Authority's Investment Policy adopted in April 2012. The goals of the Investment Policy are to preserve the public/private trust and to provide: (1) preservation of principal; (2) sufficient liquidity to meet the Authority's projected cash flow demands; and (3) maximization of investment return consistent with the other objectives. The Investment Policy also contains internal controls and guidelines for diversification.

Capital Programs

The Authority's capital programs are designed to improve traffic flow and add capacity to, and to improve, modernize and make safer, the mainline of the Turnpike, as well as interchanges and support facilities. The Authority maintains and continually reviews and modifies, as necessary, a thirty-year capital investment plan to track the Turnpike's long-term needs. From this, a more detailed four-year plan is derived to schedule near term infrastructure projects.

The Authority currently estimates its capital program costs, primarily consisting of asset bridge rehab and other infrastructure maintenance, for the five-year period from 2025 through 2029 at approximately \$275 million to be funded by Revenues. The Authority anticipates issuing no additional Turnpike Revenue Bonds to fund such projects during such five-year period.

The Authority's priorities in the capital program include the following:

Saco Interchange project includes building a new Exit 35, approximately 1 mile south of Exit 36 that will have direct connections to Rt. 112. The 3-year project was bid in late fall 2022 and was awarded for \$44 million. The project will wrap up in fall 2025.

Over the past 20 plus years the Authority has been actively engaged with MaineDOT and the local communities west of Portland to review possible solutions to local traffic congestion. While the Authority presented a new toll road option to remove traffic from local roads and provide a direct connection to both I-95 and I-295, the project was put on hold during the summer of 2024 due to the need to review thoroughly the comments and questions received during and following a public meeting in March 2024. In March 2025, the Authority announced MaineDOT would be conducting the review of local roads into 2026 with a robust public engagement process. The Gorham connector was removed from the Authority's current 4-year capital investment plan (2025-2028), though certain right of way acquisitions will continue to occur if warranted and the Authority will continue to support MaineDOT in their efforts. In particular, following completion by MaineDOT of its new study of potential solutions to the traffic congestion west of Portland, if a new road alignment is recommended, the Authority will evaluate any proposed new road options to determine their financial viability. In addition, the Authority will review other major capital projects including continuation of the Portland Area widening from exit 48 to exit 52. There are several bridge rehabilitation projects being planned as well as safety improvements as part of this project. Final phasing and a permitting schedule will be determined in the near future. Several major interchange improvement projects at exit 32 and 19 are also being looked at and will start planning and permitting in the next few years.

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PROJECTED OPERATIONS

Projected Revenues, Expenses and Debt Service Coverage

The following table presents projected revenues, expenses and debt service coverage for Fiscal Years 2025 through 2029, as prepared by Authority staff. There are multiple parameters or assumptions which drive the Authority's long-range financial projections, some, but not, of which are summarized in the table. The projections and the underlying assumptions have not been reviewed or otherwise evaluated by an independent certified public accountant or other independent consultant and are subject to change and other risks, as described under "CERTAIN RISK FACTORS - Forward Looking Statements" below.

Projected Revenues, Expenses and Debt Service Coverage (in thousands)

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Revenue					
Net Tolls ⁽¹⁾	\$172,096	\$174,677	177,297	\$206,950	\$210,054
Concession Rental ⁽²⁾	5,934	6,023	6,114	6,205	6,298
Investment Income ⁽³⁾	8,171	8,294	8,418	8,545	8,673
Miscellaneous ⁽⁴⁾	<u>3,969</u>	<u>4,029</u>	<u>4,089</u>	<u>4,150</u>	<u>4,213</u>
Total Revenues	\$190,170	\$193,023	\$195,918	\$225,851	\$229,238
Total Operating Expenses ⁽⁵⁾	<u>52,175</u>	<u>54,482</u>	<u>56,892</u>	<u>59,409</u>	<u>62,037</u>
Net Operating Revenues	\$137,996	\$138,541	\$139,026	\$166,442	\$167,201
Debt Service ⁽⁶⁾	41,488	44,393	44,392	44,386	44,384
Reserve Maintenance Fund Deposit ⁽⁷⁾	42,000	42,000	42,000	44,000	44,000
MaineDOT Provision Account Deposit ⁽⁸⁾	2,443	2,443	2,442	2,446	2,442
Other General Reserve Fund Deposits (Transfers) ⁽⁹⁾	\$52,065	\$49,705	\$50,192	\$75,611	\$76,376
Projected Debt Service Coverage ⁽¹⁰⁾	3.33	3.12	3.13	3.75	3.77

⁽¹⁾Assumes a 15% toll increase in 2028 and traffic growth of 1.5% per year.

⁽²⁾Assumes annual growth of 1.5%.

⁽³⁾Capital Fund and Rebate Fund earnings, consistent with the Resolution, are not included in Investment Income. Assumes earnings of 3.1% to 4.6% per annum.

⁽⁴⁾Assumes annual growth of 1.5%

⁽⁵⁾Assumes an annual growth of 4.4%.

⁽⁶⁾Represents Debt Service deposits on the outstanding Turnpike Revenue Bonds only.

⁽⁷⁾Projected amount to be deposited each year for on-going repair and rehabilitation projects, as annually to be reviewed and recommended by the Consulting Engineers.

⁽⁸⁾Represents Debt Service deposits on the outstanding Special Obligation Bonds only.

⁽⁹⁾The deposits are expected to be transferred to the Trustee to pay Debt Service on the Special Obligation Bonds.

⁽¹⁰⁾Net Operating Revenues divided by Debt Service on the Turnpike Revenue Bonds.

CERTAIN RISK FACTORS

The following is a discussion of certain risk factors that should be considered in evaluating an investment in the Bonds. The discussion does not purport to be either comprehensive or exhaustive. In order for potential investors to make an informed investment decision, potential investors should be thoroughly familiar with the entire Official Statement. The order in which risks are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may be other risks or considerations associated with an investment in the Bonds in addition to those set forth in this Official Statement.

General Factors Affecting Authority Revenues

The actual amount of future toll revenues collected by the Authority depends on a number of factors, including but not limited to the toll rates charged by the Authority and level and composition of the traffic on the Turnpike. The Authority has covenanted that it will revise the present schedule of tolls for traffic over the Turnpike as may be necessary or proper, in order that the Revenues will at all times be sufficient: (i) to provide funds for the payment of Operating Expenses; and (ii) to provide Net Revenues that are equal to or greater than the Net Revenue Requirement in any Fiscal Year. However, the amount and composition of traffic on the Turnpike cannot be predicted with certainty and may underperform Authority expectations due to general economic conditions, diversion of some traffic to alternative non-toll routes to avoid tolls, increased fuel costs, increased mileage standards or other factors. There is insufficient data to assess these risk factors fully. However, the Authority reasonably expects to have sufficient revenues to meet its payment obligations, including payments with respect to the Bonds.

The Authority is dependent on technology to conduct general business operations, including toll collection and customer account services which are dependent on the ability to process, record and monitor a large number of electronic transactions generated by equipment located throughout the Turnpike which record transponder and license plate information on vehicles. If the Authority's or any of its vendor's financial, accounting, or other data processing systems fail, are hacked or fall prey to phishing or other attacks, or have other significant shortcomings, the Authority could be materially adversely affected.

Certain Matters Relating to Enforceability of Obligations

The remedies available to the holders of the Bonds upon the occurrence of an Event of Default under the Resolution are, in many respects, dependent upon regulatory and judicial actions that are often subject to discretion or delay. Under existing law and judicial decisions, the remedies specified in the Resolution may not be readily available or may be limited. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Act and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the Constitution of the United States of America. The legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

The rights and remedies of owners of Bonds could be limited by the provisions of the Federal Bankruptcy Code, as now or hereafter enacted (the "Bankruptcy Code") or by other laws or legal or equitable principles which may affect the enforcement of creditors' rights. Chapter 9 of the Bankruptcy

Code permits, under prescribed circumstances, a political subdivision or public agency or instrumentality of a state, such as the Authority, to commence a voluntary bankruptcy proceeding and to file a plan of adjustment in the repayment of its debts, if such entity is generally not paying its debts as they become due. Under the Bankruptcy Code, an involuntary petition cannot be filed against a political subdivision, public agency or instrumentality of a state.

In order to proceed under Chapter 9 of the Bankruptcy Code, state law must authorize the political subdivision, public agency or instrumentality to file a petition under the Bankruptcy Code. The Authority is not currently authorized to file a petition under the Bankruptcy Code.

Forward Looking Statements

This Official Statement, including the appendices, contains forecasts, projections and estimates that are based on current expectations or assumptions. If and when included in this official statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements. Any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Authority. These forward-looking statements speak only as of the date of this Official Statement. The Authority does not plan to issue any update or revision to any forward-looking statement contained herein to reflect any change in the Authority’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, subject to its contractual obligations of continuing disclosure as described herein.

Legislative Action

Legislation is introduced from time to time in the Maine Legislature which, if adopted, may affect the Authority or the Turnpike. The Authority cannot predict whether or not any such bills will be enacted into law or how any such legislation may affect the Authority and its ability to meet its payment obligations under the Resolution or the Special Obligation Resolution.

TAX MATTERS

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Authority (“Bond Counsel”), is of the opinion that, under existing law, interest on the Bonds is excludable from gross income of holders thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). This opinion is expressly conditioned upon continued compliance with certain requirements imposed by the Code, which requirements must be satisfied subsequent to the date of issuance of the Bonds in order to ensure that the interest on the Bonds is and continues to be excludable from the gross income of the holders thereof. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in the gross income of holders thereof retroactive to the date of issuance of the Bonds. In particular, and without limitation, these requirements include restrictions on the use, expenditure and investment of Bond proceeds and the payment of rebate, or penalties in lieu of rebate, to the United States, subject to certain exceptions. The Authority has provided covenants and certificates as to continued compliance with such requirements.

In the opinion of Bond Counsel, under existing law, interest on the Bonds is not an item of tax preference for purposes of computation of the federal alternative minimum tax imposed on individuals, however, it may be taken into account for the purpose of computing the federal alternative minimum tax

imposed on certain corporations. Bond Counsel has not opined as to any other matters of federal tax law relating to the Bonds. However, prospective purchasers should be aware that certain collateral consequences may result under federal tax law for certain holders of the Bonds. The nature and extent of these consequences depends on the particular tax status of the holder and the holder's other items of income or deduction. Holders should consult their own tax advisors with respect to such matters.

Interest paid on tax-exempt obligations such as the Bonds is generally required to be reported by payors to the Internal Revenue Service ("IRS") and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds from gross income for federal tax purposes.

Interest on the Bonds includes any original issue discount, which with respect to a Bond, is equal to the excess, if any, of the stated redemption price at maturity of such Bond over the initial offering price thereof to the public, excluding underwriters and other intermediaries, at which price a substantial amount of all such Bonds with the same series and maturity was sold. Original issue discount accrues based on a constant yield method over the term of a Bond. Holders should consult their own tax advisors with respect to the computations of original issue discount during the period in which any such Bond is held.

An amount equal to the excess, if any, of the purchase price of a Bond over the principal amount payable at maturity constitutes amortizable bond premium. The required amortization of such premium during the term of a Bond will result in reduction of the holder's tax basis in such Bond. Such amortization also will result in reduction of the amount of the stated interest on the Bond taken into account as interest for tax purposes. Holders of Bonds purchased at a premium should consult their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to the State or local tax consequences of owning such Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from State of Maine income tax imposed on individuals. Bond Counsel has not opined as to other Maine tax consequences arising with respect to the Bonds. Bond Counsel has not opined as to the taxability of the Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of any state other than Maine.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel has not undertaken to update or supplement its opinions in the future to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any events that occur after the date of issuance of the Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, that may affect the tax exempt status of interest on the Bonds, or the tax consequences of ownership of the Bonds. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather such opinions represent Bond Counsel's professional judgment based on its review of existing law and its reliance on the representations and covenants that it deems relevant to such opinions. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce or eliminate the benefit of the exclusion of the interest on the Bonds from gross income for federal income tax purposes or any state tax benefit of the Bonds. Tax reform proposals and deficit reduction measures, including but not limited to proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation, and other proposals to limit federal tax expenditures, have been and are expected to be under ongoing consideration by the United States

Congress. These proposed changes could affect the market value or marketability of the Bonds, and, if enacted into law, could also affect the tax treatment of all or a portion of the interest on the Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

LITIGATION

There is no litigation pending which seeks to restrain or enjoin the issuance or delivery of the Bonds or questions or affects the validity of the Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization nor existence of the Authority, nor the title of the present members or other officers of the Authority to their respective offices is being contested. There is no litigation pending which in any manner questions the right of the Authority to issue the Bonds in accordance with the provisions of the Enabling Act and the Resolution.

The Authority is not a party to any litigation or other proceeding pending or, to the knowledge of the Authority, threatened in any court, agency or other administrative body (either state or Federal) which, if decided adversely to the Authority, could have a material adverse effect on the Bonds or the Authority.

STATE OF MAINE NOT LIABLE ON THE BONDS

The Bonds shall not be deemed to constitute a pledge of the faith and credit of the State of Maine or debt or liability of the State of Maine or any political subdivision thereof or a pledge of the faith and credit of the State of Maine or any such political subdivision. The Bonds shall be payable solely from the Revenues of the Turnpike pledged by the Authority. Neither the faith and credit nor the taxing power of the State of Maine or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds.

CERTAIN LEGAL MATTERS

The validity of the issuance of the Bonds and certain other legal matters are subject to the approving opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Authority. Bond Counsel expects to deliver an opinion with respect to the 2025 Turnpike Revenue Bonds and with respect to the 2025 Special Obligation Bonds at the time of issuance substantially in the applicable form included as *Appendix F*. Certain legal matters will be passed upon for the Authority by Jensen Baird Gardner & Henry, P.A., General Counsel to the Authority, and for the Underwriters by Troutman Pepper Locke LLP.

INDEPENDENT AUDITORS

The financial statements of the Authority as of and for the fiscal years ended December 31, 2024 and 2023 included in *Appendix D - Financial Statements of the Authority* of this Official Statement, have been audited by Runyon Kersteen Ouellette, independent auditors, as stated in their report appearing therein.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

On the date of issuance of the Bonds, Robert Thomas CPA, LLC (the “Verification Agent”), will deliver a report with respect to the mathematical accuracy of certain computations, contained in schedules provided to it, which were prepared by BofA Securities Inc., as representative of the Underwriters of the Bonds, relative to the sufficiency of moneys, assuming no investment thereof, to be deposited into the escrow fund established pursuant to an escrow agreement to pay, when due the principal, whether at maturity or upon prior redemption, interest and redemption premium requirements of the Refunded Bonds (the “Verification Report”). The Verification Report will include the statement that the scope of the

Verification Agent's engagement is limited to verifying the mathematical accuracy of the aforesaid computations and that it has no obligation to otherwise update its report because of events occurring, or data or information coming to its attention, subsequent to the date of the respective report.

UNDERWRITING

The underwriters listed on the cover page hereof (the "Underwriters") have agreed, subject to certain conditions, to purchase the Bonds at a price of \$_____, an amount which represents the aggregate principal amount of the Bonds, plus original issue premium of \$_____ and less an underwriting discount of \$_____. The Bonds are being offered for sale to the public at prices shown on the inside cover hereof. The Underwriters may in their discretion change such public offering prices from time to time or offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices.

The following language has been provided by the Underwriters. The Authority take no responsibility as to the accuracy or completeness thereof.

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as Underwriters) for the distribution of the Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

BofA Securities, Inc., an Underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

The obligation of the Underwriters to accept delivery of the Bonds is subject to the terms and conditions set forth in the purchase contract relating to the Bonds, the approval of legal matters by counsel and other conditions.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and securities trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services.

In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. (“PRAG”) is serving as financial advisor to the Authority in connection with the issuance of the Bonds. PRAG is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing securities. PRAG is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto.

RATINGS

Moody’s Ratings (“Moody’s”), S&P Global Ratings (“S&P”), and Fitch Ratings (“Fitch”) have assigned the 2025 Turnpike Revenue Bonds the ratings “Aa3” (outlook stable), “AA-” (outlook stable) and “AA-” (outlook stable)], respectively.

Moody’s, S&P, and Fitch have assigned the 2025 Special Obligation Bonds the ratings “A2” (outlook stable), “A+” (outlook stable) and “A” (outlook table), respectively.

Such ratings reflect only the respective views of the individual rating agencies and an explanation of the significance of such ratings may be obtained from each of the rating agencies furnishing the same.

The Authority furnished to the rating agencies certain information and materials with respect to the Bonds. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the rating agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in or suspension of or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Authority and the Trustee, as dissemination agent, will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the holders of the Bonds to provide continuing disclosure. The Authority will undertake to provide certain information and operating data relating to the Authority (the “Annual Report”) by no later than 180 days following the end of each of its fiscal years, commencing December 31, 2025 and to provide notices of the occurrence of certain enumerated events. The Annual Report and the event notices will be filed with the MSRB’s Electronic Municipal Market Access System. The specific nature of the information to be contained in the Annual Report or the event notices is set forth in *Appendix G - Form of Continuing Disclosure Agreement*.

MISCELLANEOUS

References to the Enabling Act, the Resolution, and the Special Obligation Resolution are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the Enabling Act and the Resolution for full and complete statements of such and all provisions. The agreements of the Authority with the holders of the Bonds are fully set forth in the Resolution and the Special Obligation Resolution, as applicable. Copies of the documents mentioned in this paragraph are on file at the offices of the Authority and are available upon request.

So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly so stated, they are set forth as such and not as representations of fact. No representation is made that any of the opinions, forecasts or estimates will be realized. This Official Statement is not intended to be construed as a contract or agreement between the Authority and any purchaser or Beneficial Owner of the Bonds.

CERTAIN DEFINITIONS

The following are definitions of certain terms used in this Official Statement which relate to the Resolution and the Special Obligation Resolution. Unless the context otherwise requires, all capitalized terms not set forth here or elsewhere in the Official Statement have the meanings set forth in the Resolution and the Special Obligation Resolution, as applicable.

GENERAL TURNPIKE REVENUE BOND RESOLUTION

“Account” shall mean any Account established under or pursuant to the General Resolution.

“Accountant” shall mean any recognized firm of independent certified public accountants selected by the Authority which may be the firm which is regularly engaged by the Authority to audit its financial statements.

“Additional Bonds” shall mean any bonds, notes or other evidence of indebtedness issued by the Authority under any Supplemental Resolution, except the Series 1991 Bonds and the Subordinated Bonds.

“Advance-Refunded Municipal Bonds” shall mean Tax Exempt Obligations which have been advance-refunded prior to their maturity and which are fully and irrevocably secured as to principal and interest by (a) cash or Government Obligations (including, without limitation, Government Obligations which have been stripped of their unmatured interest coupons and interest coupons stripped from Government Obligations), which are held in trust for the payment thereof, (b) Municipal Bonds which have been advance-refunded as provided under (a) above, or (c) a combination of (a) and (b), which Tax Exempt Obligations are rated in the highest rating category by the Rating Agencies.

“Annual Budget” shall mean the Authority’s annual budget adopted pursuant to the General Resolution.

“Authority” shall mean Maine Turnpike Authority, a body corporate and politic, in existence and operating under the laws of the State, including, without limitation, the Enabling Act.

“Authorized Newspapers” shall mean “The Bond Buyer” or “The Wall Street Journal” and any newspaper or financial journal which is customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, printed in the English language, containing financial news, and of general circulation in the State.

“Authorized Official” shall mean the Chairman, the Vice Chairman, the Secretary, the Treasurer, the Executive Director of the Authority or any other person designated as such by a resolution of the members of the Authority.

“Bond Anticipation Notes” shall mean only those Secured Bond Anticipation Notes the interest on which is payable from and secured by the lien of the Pledge created by the General Resolution.

“Bond Counsel” shall mean any attorney or firm of attorneys nationally recognized in rendering opinions with respect to the issuance and tax exempt status of Tax Exempt Obligations, selected by the Authority.

“Bondholder” or “Holder” shall mean the person in whose name the Secured Bond is registered.

“Bond Pledged Collateral” shall mean the Revenues, Funds and Accounts and other moneys and securities pledged under the General Resolution.

“Bond Registrar” shall mean the Trustee acting as such, unless otherwise provided in a Supplemental Resolution.

“Bonds” or “Turnpike Revenue Bonds” shall mean the Series 2012 Bonds, the Series 2014 Bonds, the Series 2015 Bonds, the Series 2018 Bonds, the Series 2020 Bonds and all Additional Bonds.

APPENDIX A

“Business Day” shall mean any day other than a Saturday, a Sunday or any other day on which any Fiduciary or any provider of a Credit Facility is authorized or required by law to be closed for business.

“Capital Fund” means the Capital Fund established under the General Resolution.

“Capitalized Interest” shall mean any interest which has accrued or has been paid and which is payable or has been paid with proceeds from the sale of any Secured Bonds (including any earnings received from the investment thereof) which were deposited into either the Interest Account or the Subordinated Interest Account upon the issuance and delivery of such Secured Bonds.

“Capital Requisition Certificate” shall mean a Certificate of the Authority which is intended to requisition moneys from the Capital Fund and which sets forth in reasonable detail the following:

- (a) the item number of the payment and that such item is a proper charge against the Capital Fund and has not been paid;
- (b) the name of the person, firm or corporation to whom payment is due;
- (c) the amount to be paid;
- (d) the purpose for incurring the obligation to be paid; and

certifies with respect to each requisition which involves any construction or reconstruction that there has not been filed with or served upon the Authority any notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons, firms or corporations named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation.

“Certificate” shall mean a document or report, as the context indicates, of the Authority, an Accountant, the Consulting Engineers and the Traffic Consultant, or of any of them, and signed by an authorized representative thereof, which in the case of the Authority shall be an Authorized Official, attesting to or acknowledging the matters therein stated or setting forth matters to be determined pursuant to the General Resolution.

“Certificate as to Tax Matters” shall mean, with respect to any Series of Bonds, the Certificate of the Authority provided to Bond Counsel for the purpose of rendering an opinion that such Bonds are Tax Exempt Obligations.

“Certified Financial Statements” shall mean financial statements of the Authority for a stated period, as certified by an Accountant, or in the event such financial statements are for a period of less than a Fiscal Year or are for a Fiscal Year the financial statements for which have not yet been audited by an Accountant, as certified by the chief financial officer of the Authority.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including any Regulations promulgated thereunder or applicable thereto.

“Consultant’s Report” shall mean a study and report for any stated period prepared (a) by the Consulting Engineers to the extent such study and report requires any examination of the operation and maintenance of the Turnpike, and (b) by the Traffic Consultant to the extent such report and study requires an examination of the past or expected Revenues for any stated period, and may be or include a Traffic and Revenue Study.

“Consulting Engineers” shall mean the engineer or engineering firm or corporation at the time employed by the Authority under the provisions of the General Resolution to perform and carry out the duties imposed on the Consulting Engineers by the General Resolution.

“Costs of Department of Transportation Projects” shall mean any and all necessary or incidental costs incurred by the Authority or the Department of Transportation in connection with the undertaking of any Department of Transportation Project, including, without limitation, any costs in connection with any planning, engineering study, acquisition, construction, reconstruction or extraordinary maintenance, any costs of financing, including Costs of Issuance, any interest on indebtedness or other charges attributable to, and payable during the construction of,

Department of Transportation Projects which could be capitalized, based upon the advice of an accountant, any costs of placing the Department of Transportation Projects into operation, and any costs attributable to payments made from any fund or account in the name of the Authority established in connection therewith and any reserves or deposits required to secure any Bonds issued to finance such Department of Transportation Project.

“Costs of Issuance” shall mean any and all costs incurred in connection with the issuance of Secured Bonds, including without limitation (a) any costs incurred in connection with the offering and sale of the Secured Bonds, including, without limitation, any payment to, or the sum equal to any discount on the Secured Bonds offered by, the original purchasers thereof, underwriting compensation, expenses and charges, legal fees and charges, professional consultants’ fees and charges and cost of credit ratings, (b) any costs incurred in connection with the printing and distribution of any official statement or other disclosure document distributed in connection with the offering and sale of Secured Bonds, (c) any costs in connection with any Credit Facility which secures the Secured Bonds, (d) any payments for services and disbursements of counsel to the Authority and to the Trustee, and Bond Counsel, and (e) all other costs, charges and expenses relating to the issuance of the Secured Bonds and related matters, as may be provided in any purchase agreement for the Secured Bonds or otherwise.

“Costs of Non-Turnpike Projects” shall mean any and all necessary or incidental costs incurred by the Authority in connection with the undertaking of any Non-Turnpike Project, including, without limitation, any costs in connection with any planning, engineering study, acquisition, construction, reconstruction or extraordinary maintenance, any costs of financing, any interest on indebtedness or other charges attributable to, and payable during the construction of, Non-Turnpike Projects which could be capitalized, based upon the advice of an Accountant, any costs of placing the Non-Turnpike Project into operation, and any costs attributable to payments made from any fund or account in the name of the Authority established in connection therewith and any reserves or deposits required to secure any Unsecured Bonds issued to finance such Non-Turnpike Project.

“Costs of Turnpike Projects” shall mean any and all necessary or incidental costs incurred by the Authority in connection with the undertaking of any Turnpike Project, including, without limitation, any costs in connection with any planning, engineering study, Consultant’s Report, Traffic and Revenue Study, acquisition, construction, reconstruction or extraordinary maintenance, any costs of financing, including Costs of Issuance, and placing the Turnpike Project into operation, any interest on indebtedness or other charges attributable to, and payable during the construction of, Turnpike Projects which could be capitalized, based upon the advice of an Accountant, any costs attributable to payments made from the Reserve Maintenance Fund, the Interchange Account or the Improvement Account and any reserves or deposits required to secure any Secured Bonds issued to finance such Turnpike Project.

“Credit Facility” shall mean a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution, the senior long term debt obligations of which (or the holding company of any bank) are assigned a long-term rating equivalent to a rating which is at least as high as any long-term rating on the Bonds by the Rating Agencies, which provides for payment of all or a portion of the Debt Service Charges on any Series of Secured Bonds or provides funds for the purchase of such Secured Bonds or portions thereof; provided, that if such Credit Facility is furnished to provide funds for the payment of a Tender Option Price of any Secured Bond with a tender option which may be tendered to the Authority for purchase or payment in accordance with the provisions of any Supplemental Resolution authorizing such Secured Bond with a tender option, the issuer of the Credit Facility shall have its short term debt assigned a rating in one of the two highest rating categories for short term debt by the Rating Agencies.

“Debt Service” shall mean, for any stated period of time or on any stated date, the Debt Service Charges on all Outstanding Secured Bonds, unless stated with respect to only certain Secured Bonds, payable during that period or on that date; except that (a) Debt Service shall not include any Capitalized Interest, (b) with respect to any Secured Bond Anticipation Note, Debt Service shall refer only to the Secured Bond Anticipation Note Interest, and (c) with respect to any Secured Bonds which bear interest at a Variable Rate, a Commercial Paper Rate or other rate of interest which is not known for any period, it shall be assumed for purposes of determining the interest rate on the Secured Bond for the period when the interest rate is unknown that the interest rate is the maximum stated interest rate on such Secured Bonds provided in the Supplemental Resolution authorizing such Secured Bonds.

“Debt Service Charges” shall mean, with respect to the Outstanding Secured Bonds, the principal of and interest on and premium, if any, including without limitation any Redemption Price and any Mandatory Sinking Fund Requirements, payable on any Payment Date or upon redemption, maturity or acceleration.

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“Debt Service Fund” shall mean the Debt Service Fund established under the General Resolution.

“Debt Service Reserve Collateral” shall include, moneys, including Secured Bond proceeds, and Government Obligations and any financial guarantees, including surety bonds, insurance policies, letters of credit and other guarantees which are rated at least equal to the long term rating on any Outstanding Secured Bonds by the Rating Agencies.

“Debt Service Reserve Fund” shall mean the Debt Service Reserve Fund established under the General Resolution.

“Debt Service Reserve Requirement” shall mean for any stated Fiscal Year, with respect to Bonds which are issued as Tax Exempt Obligations, an amount equal to one-half the maximum annual Debt Service on all Outstanding Bonds for the current Fiscal Year and any future Fiscal Year during which Bonds are Outstanding as long as the Net Revenues for each of the two consecutive immediately preceding Fiscal Years were at least equal to two hundred percent (200%) of the Debt Service on all Outstanding Bonds in each of such two consecutive immediately preceding Fiscal Years; otherwise the maximum annual Debt Service on all Outstanding Bonds for the current and any future Fiscal Year such Bonds are Outstanding; provided, however, “Debt Service Reserve Requirement” shall not be greater than the Maximum Debt Service Reserve Requirement. With respect to any Bonds not issued as Tax Exempt Obligations, “Debt Service Reserve Requirement” for any stated Fiscal Year shall be the amount provided in the Supplemental Resolution authorizing such Bonds, except that such amount shall never be less than the amount required above. With respect to Subordinated Bonds, “Debt Service Reserve Requirement” shall mean for any stated Fiscal Year the amount, if any, provided in the Supplemental Resolution authorizing such Subordinated Bonds.

“Default Interest Rate” shall mean one percent (1%) per annum in excess of the rate of interest otherwise payable for any period during which the Authority shall be in default under the General Resolution.

“Defeasance Obligations” shall mean the obligations described in clauses (a), (b), (h) and (i) of the definition of Investment Securities herein; provided that such obligations shall not be redeemable prior to the maturity date or stated redemption date relied upon in satisfying the conditions of the General Resolution.

“Department of Transportation” shall mean the Maine Department of Transportation and its lawful successors.

“Department of Transportation Provision Account” shall mean the Department of Transportation Provision Account established within the General Reserve Fund under the General Resolution.

“Depository” shall mean any bank or trust company selected by the Authority as a depository of moneys to be held under the provisions of the General Resolution, and may include the Trustee.

“Disbursement Records” shall mean books, records or other documents which set forth the information contained in all Capital Requisition Certificates and all Certificates of the Authority which direct any Fiduciary to transfer moneys from one Fund or Account to another Fund or Account and which, with respect to payments from any Fund or Account (excluding any transfers to another Fund or Account as directed in a Certificate of the Authority), set forth in reasonable detail the following:

- (a) the item number of the payment and the corresponding number of the check or withdrawal order;
- (b) the name of the person receiving payment;
- (c) the amount paid; and
- (d) the purpose for incurring the obligation paid.

“Eighteenth Supplemental Resolution” shall mean the Eighteenth Supplemental Resolution authorizing the issuance and delivery of \$84,240,000 Turnpike Refunding Revenue Bonds, Series 2012B adopted February 16, 2012.

“Emergency” shall mean an extraordinary event or occurrence the resulting costs to the Authority of which were not provided for in the Annual Budget and which is more particularly defined in a Certificate signed by the Consulting Engineers which characterizes such event or occurrence as an emergency.

“Enabling Act” shall mean Title 23, Part 1, Chapter 24, Sections 1961-1983, inclusive, Maine Revised Statutes, as amended from time to time.

“Event of Default” shall mean an event which, by itself or with the passage of time, constitutes an event of default under the General Resolution.

“Fiduciary” shall mean the Trustee, any Depositary or any Paying Agent.

“First Supplemental Resolution” shall mean the Supplemental Resolution authorizing the issuance and delivery of \$15,250,000 Maine Turnpike Authority Turnpike Revenue Bonds, Series 1991 adopted April 18, 1991.

“Fiscal Year” shall mean the twelve months beginning on January 1 and ending on December 31 in each calendar year.

“Fund” shall mean any Fund established under or pursuant to the General Resolution.

“General Reserve Fund” shall mean the General Reserve Fund established under the General Resolution.

“General Resolution” shall mean the General Turnpike Revenue Bond Resolution adopted by the Authority on April 18, 1991, as amended and supplemented from time to time.

“General Special Obligation Resolution” shall mean the General Special Obligation Bond Resolution adopted by the Authority on May 15, 1996.

“Government Obligations” shall mean direct general obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Insurance Account” shall mean the Insurance Account established within the General Reserve Fund under the General Resolution.

“Interchange Project” shall mean any construction, reconstruction, rehabilitation, widening or expansion of, or any extensions, extraordinary repairs, modifications or improvements to interchanges as defined in the Enabling Act, or any portions thereof, determined by the Department of Transportation and the Authority to have a sufficient relationship to the public’s use of the Turnpike and the orderly regulation and flow of traffic on the Turnpike in accordance with Section 1974, subsection 3 of the Enabling Act.

“Interest Account” shall mean the Interest Account established within the Debt Service Fund under the General Resolution.

“Investment Securities” shall mean and include any of the following securities, if and to the extent the same are at the time legal investments by the Authority of the funds to be invested therein and conform to the policies set forth in any investment guidelines adopted by the Authority and in effect at the time of the making of such investment:

(a) Government Obligations and certificates or receipts representing direct ownership of future interest or principal payments on Government Obligations or any obligations of agencies or instrumentalities of the United States of America which are backed by the full faith and credit of the United States, which obligations are held by a custodian in safekeeping on behalf of the holders of such receipts;

(b) Obligations issued or guaranteed by the following: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Land Banks, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Financing Corporation, The Resolution

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Funding Corporation, or any other any agency or instrumentality of the United States, provided that the foregoing obligations are rated in one of the two highest rating categories by the Rating Agencies;

(c) (i) Interest-bearing time or demand deposits, certificates of deposit maturing in one year or less, or other similar banking arrangements with any government securities dealer, bank, trust company, savings and loan association, national banking association or other savings institution (including the Trustee), provided that such deposits, certificates, and other arrangements are fully insured by the Federal Deposit Insurance Corporation or (ii) interest-bearing time or demand deposits or certificates of deposit with any bank, trust company, national banking association or other savings institution (including the Trustee); provided (A) that with respect to (i) and (ii) any such obligations are held by a Fiduciary or a bank, trust company or national banking association (other than the issuer of such obligations, unless the issuer is a Fiduciary), (B) that (1) with respect to (ii) such deposits and certificates are in or with a bank, trust company, national banking association or other savings institution whose long-term unsecured debt is rated in one of the two highest long-term rating categories by the Rating Agencies and (2) the investment in such deposits and certificates will not result in a reduction in any rating on the Secured Bonds by the Rating Agencies;

(d) Repurchase agreements collateralized by securities described in subparagraph (a) above with any registered broker/dealer reporting to the Federal Reserve Bank of New York or with any commercial bank (including any Fiduciary), provided that (i) a specific written repurchase agreement governs the transaction, (ii) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (A) a Federal Reserve Bank, or (B) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50,000,000, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (iii) the repurchase agreement has a term of one year or less and the Trustee will value the collateral securities no less frequently than is required by the Rating Agencies to maintain the rating assigned by the Rating Agencies on the Bonds and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within five business days after such valuation, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least an amount (which may be expressed in a percentage of the amount of the repurchase obligation) which is required by the Rating Agencies to maintain the rating assigned by the Rating Agencies on the Bonds;

(e) Money market funds which are authorized to invest only in assets or securities described in subparagraphs (a), (b) and (d) above and are rated in one of the two highest rating categories by the Rating Agencies, provided that the investment in such money market funds will not result in a reduction in the rating on the Secured Bonds by the Rating Agencies;

(f) Investment contracts with financial institutions the long term debt obligations of which are rated in one of the two highest rating categories by the Rating Agencies, provided that such investment contracts are rated at least the same as such debt obligations and will not result in a reduction of the rating on the Secured Bonds by the Rating Agencies;

(g) Municipal Bonds;

(h) State Obligations;

(i) Advance-Refunded Municipal Bonds;

provided, that any investment or deposit described above shall comply to the extent applicable with provisions of the Code and Regulations relating to the acquisition of investments at fair market value or on an arms length basis.

“Maximum Annual Debt Service” shall mean the largest total Debt Service payable in the current or any succeeding Fiscal Year.

“Maximum Debt Service Reserve Requirement” shall mean for any stated Fiscal Year an amount equal to the aggregate of the Maximum Series Debt Service Reserve Requirements for such Fiscal Year.

“Maximum Series Debt Service Reserve Requirement” shall mean for any stated Fiscal Year, with respect to any Series of Bonds which are issued as Tax Exempt Obligations, the maximum amount set forth in the authorizing Supplemental Resolution which may be deposited in the Debt Service Reserve Fund so that such Series of Bonds may be issued as Tax Exempt Obligations.

“Municipal Bonds” shall mean obligations issued or guaranteed by any state or political subdivision, agency or instrumentality thereof (including stripped obligations the principal of and interest on which have been separated and offered for sale separate from each other) which are rated in one of the two highest rating categories by the Rating Agencies.

“Net Revenue Requirement” shall mean, for any stated Fiscal Year, the greater of:

- (a) one hundred twenty percent (120%) of the Debt Service; and
- (b) one hundred percent (100%) of the sum of (i) the Debt Service, (ii) the Required Reserve Maintenance Deposit, (iii) the Required Debt Service Reserve Deposit and (iv) any other Required Deposit set forth in any Supplemental Resolution.

“Net Revenues” shall mean the Revenues for any stated period of time less Operating Expenses for such stated period of time.

“Non-Turnpike Project” shall mean any activity, project or corporate purpose which the Authority is authorized to undertake under State law, including, without limitation, the Enabling Act, and which is not a Turnpike Project.

“Non-Turnpike Revenues” shall mean any moneys, funds and other income received by the Authority from (a) other than the operation of the Turnpike, including, without limitation, all grants, payments, loans and other contributions received by the Authority directly, or indirectly from the federal government, the State, any political subdivision of the State or other governmental body or unit, in the form of (i) payments from the general revenues of the federal government or the State, such political subdivision or such other governmental body or unit, (ii) any charges, fees or taxes which the Authority is authorized to levy or make following the adoption of the General Resolution in connection with the acquisition, construction, reconstruction, operation or maintenance of Non-Turnpike Projects or (iii) distributions of all or a portion of general, sales or other special tax revenues or user charges or fees and (b) special assessments, special taxes or impact fees assessed or charged by the Authority or any other governmental body against parcels or real property which benefit from the construction or reconstruction of Turnpike Projects; provided that “Non-Turnpike Revenues” shall not include any grants, payments, loans, contributions, charges, fees or taxes which are pledged or dedicated to the payment of any Debt Service Charges pursuant to a Supplemental Resolution.

“Operating Expenses” shall mean the Authority’s reasonable and necessary current expenses of maintenance, repair and operation of the Turnpike and shall include, without limitation, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, premiums for insurance, all administrative and engineering expenses relating to maintenance, repair and operation of the Turnpike, and all fees and expenses required to be paid by the Authority under the provisions of the General Resolution or by law, all to the extent properly and directly attributable to the operation of the Turnpike, provided that Operating Expenses shall not include any reserves for extraordinary maintenance or repair, any payment of Reimbursement Obligations, any costs or expenses for new construction, any allowance for depreciation, or any deposits or transfers to the credit of the Debt Service Fund, the Debt Service Reserve Fund, the Subordinated Debt Service Fund, the Subordinated Debt Service Reserve Fund, the Reserve Maintenance Fund, the General Reserve Fund or the Rebate Fund.

“Outstanding”, when used with reference to Secured Bonds, shall mean, as of any date, all Secured Bonds theretofore or thereupon being authenticated and delivered under the General Resolution except:

- (a) any Secured Bonds canceled by the Trustee at or prior to such date;
- (b) any Secured Bond (or portion thereof) for the payment or redemption of which there shall be set aside and held in trust under the General Resolution either:

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(i) moneys in an amount sufficient to pay when due the principal or Redemption Price thereof, together with all accrued interest;

(ii) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the principal or Redemption Price thereof, together with all accrued interest; or

(iii) any combination of (i) and (ii) above, and, if such Secured Bond or portion thereof is to be redeemed, for which notice of redemption has been given as provided in the General Resolution, or the applicable Supplemental Resolution, or provision satisfactory to the Trustee has been made for the giving of such notice;

(c) any Secured Bond in lieu of or in substitution for which other Secured Bonds have been authenticated and delivered; and

(d) any Secured Bond deemed to have been paid as provided in the General Resolution.

“Paying Agent” shall mean any bank or trust company designated as a Paying Agent by or in accordance with the General Resolution.

“Payment Date” shall mean, with respect to the Outstanding Bonds, January 1 and July 1 of each year, provided that any Supplemental Resolution may provide for different Payment Dates with respect to a Series of Secured Bonds authorized by such Supplemental Resolution.

“Pledge” shall mean the pledge of the Revenues, Funds and Accounts and other moneys and securities as provided in the General Resolution.

“Pledged Collateral” shall mean the Revenues, Funds and Accounts and other moneys and securities pledged under the General Resolution.

“Principal Account” shall mean the Principal Account established within the Debt Service Fund under the General Resolution.

“Principal Payment Date” shall mean any date on which any principal of Outstanding Secured Bonds is due and payable, whether by maturity, Mandatory Sinking Fund Requirements, optional or mandatory redemption or acceleration.

“Rating Agencies” shall mean Moody’s Investors Service Inc. and Standard & Poor’s Corporation and their respective successors and assigns if such rating agency is maintaining a rating on the Secured Bonds at the request of the Authority, and shall also include any other rating agency nationally recognized for skill and expertise in rating the credit of obligations such as the Secured Bonds and which is maintaining a rating on the Bonds at the request of the Authority.

“Rebate Fund Requirement” shall mean, as of any date of calculation, an amount equal to the aggregate of the amounts, if any, specified in each Supplemental Resolution authorizing the issuance of a Series of Secured Bonds which are Tax Exempt Obligations, or tax certificate or regulatory pertaining thereto, as the amount required to be maintained in the Rebate Fund with respect to such Secured Bonds.

“Record Date” shall mean, unless otherwise determined by a Supplemental Resolution for a particular Series of Secured Bonds, the fifteenth day of the month immediately preceding any month in which there occurs a Payment Date.

“Redemption Account” shall mean the Redemption Account established within the Debt Service Fund under the General Resolution.

“Redemption Price” shall mean, when used with respect to a Secured Bond or portion thereof, the principal amount thereof plus the applicable premium, if any, payable upon either optional or mandatory redemption thereof pursuant to the General Resolution.

“Regulations” shall mean the Treasury Regulations applicable to the Code.

“Reimbursement Obligation” shall mean the amount or amounts owing to a provider of a Credit Facility for any amount drawn on or paid from such Credit Facility, including any interest owing on the amount so drawn or paid.

“Required Debt Service Deposit” shall mean the aggregate amount of Revenues which is required to be deposited into the Debt Service Fund and the Subordinated Debt Service Fund during any Fiscal Year in accordance with the certification approved by the Authority, as provided in the General Resolution.

“Required Debt Service Reserve Deposit” shall mean, as of the close of business of the Trustee on the last day of any stated Fiscal Year (unless stated otherwise), the amount of Revenues which is required to be deposited into the Debt Service Reserve Fund in order to eliminate the difference, if any, between the value of the Debt Service Reserve Collateral on deposit in the Debt Service Reserve Fund and the Debt Service Reserve Requirement.

“Required Deposits” shall mean the Required Debt Service Deposit, the Required Debt Service Reserve Deposit, the Required Reserve Maintenance Deposit and any other amount of Revenues required to be deposited during any stated period or as of any stated date under a Supplemental Resolution.

“Required Reserve Maintenance Deposit” shall mean the aggregate amount of Revenues which is required to be deposited into the Reserve Maintenance Fund during any Fiscal Year in accordance with the certification approved by the Authority, as provided in the General Resolution.

“Reserve Maintenance Fund” shall mean the Reserve Maintenance Fund established under the General Resolution.

“Reserve Maintenance Fund Projects” shall mean any project which involves the resurfacing, replacing, renewing or rehabilitating of the Turnpike, or any portion thereof, including any unusual or extraordinary maintenance or repairs, renewals and replacements, any equipment or machinery required in connection with the operation or maintenance of the Turnpike, any additions to the Turnpike required for increased use of the Turnpike or any portion thereof (excluding any extensions or new interchanges which the Annual Budget provides to be funded from the General Reserve Fund), additional or expanded toll plazas and stations, and any similar new construction to operate and maintain the Turnpike.

“Resolution” shall mean the General Resolution, as amended and supplemented from time to time, including by Series Resolutions.

“Revenue Fund” shall mean the Revenue Fund established under the General Resolution.

“Revenues” shall mean all moneys, funds and other income received by the Authority from the operation of the Turnpike, including, without limitation: (a) all concessions, charges, fees, fares, receipts, rents, tolls, proceeds of any use and occupancy insurance relating to the Turnpike and of any other insurance which insures against loss of Revenues and other income received in connection with the use of the Turnpike and other services made available in connection with the Turnpike, (b) the moneys, funds and investment income received from any investment of the Revenues described in (a), and (c) all investment income with respect to the Accounts and Funds established under the General Resolution other than the Capital Fund; provided, however, that Revenues shall not include any moneys, funds or investment income in the Rebate Fund. “Revenues” shall not include any Non-Turnpike Revenues unless expressly provided otherwise in a Supplemental Resolution.

“Secured Bond Anticipation Note Interest” shall mean the accrued interest on Outstanding Secured Bond Anticipation Notes which is not Capitalized Interest.

“Secured Bond Anticipation Notes” shall mean any of the notes issued pursuant to the General Resolution.

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“Secured Bonds” or “Secured Bond” shall mean Bonds or Subordinated Bonds.

“Series” shall mean, with respect to any Secured Bonds, any designated series of Bonds, as provided in any Supplemental Resolution.

“Series Resolution” means any Supplemental Resolution, authorizing the issuance by the Authority of a series of Bonds, adopted pursuant to the General Resolution.

“Sinking Fund Installment” shall mean with respect to the Bonds, the principal amount thereof required to be redeemed in advance of their stated maturity date on such Interest Payment Date pursuant to the provisions of the applicable Series Resolution.

“Special Obligation Bonds” shall mean the Authority’s Special Obligation Bonds authorized pursuant to the Special Obligation Bond Resolution.

“Special Obligation Bond Resolution” or “Special Obligation Resolution” shall mean the General Special Obligation Resolution, as amended and supplemented from time to time.

“Special Obligation Bond Trustee” shall mean the trustee appointed pursuant to the Special Obligation Bond Resolution.

“Special Obligation Revenues” shall mean any moneys, funds or other income (a) transferred to the Trustee for deposit in the Debt Service Fund pursuant to the Special Obligation Bond Resolution from the Department of Transportation Provision Account or any other account established under the 1991 General Turnpike Revenue Bond Resolution, (b) the moneys, funds and investment income received from any investment of the Special Obligation Revenues described in (a), and (c) all income with respect to the Accounts and Funds established under the Special Obligation Bond Resolution; provided, however, that Special Obligation Revenues shall not include any moneys, funds or investment income in the Rebate Fund.

“State” shall mean the State of Maine, one of the United States of America.

“State Obligations” shall mean those obligations issued or guaranteed by the State, the due and prompt payment of principal of and interest and premium, if any, on which is secured by the full faith and credit and general taxing power of the State.

“Subaccount” shall mean any subaccount established under or pursuant to the General Resolution.

“Subordinated Bond Pledged Collateral” shall mean the Subordinated Revenues, Funds and Accounts and the other moneys and securities pledged under the General Resolution.

“Subordinated Bond Revenues” shall mean those moneys, funds and investment income in the Improvement Account.

“Subordinated Bonds” shall mean any bond, note or other evidence of indebtedness of the Authority to the extent such indebtedness is payable from Subordinated Bond Revenues and secured by the Subordinated Pledge.

“Subordinated Debt Service Fund” shall mean the Subordinated Debt Service Fund established under the General Resolution.

“Subordinated Debt Service Reserve Fund” shall mean the Subordinated Debt Service Reserve Fund established under the General Resolution.

“Subordinated Interest Account” shall mean the Subordinated Interest Account established within the Subordinated Debt Service Fund under the General Resolution.

“Subordinated Pledge” shall mean the pledge of the Subordinated Revenues, Funds and Accounts and other moneys and securities as provided in the General Resolution.

“Subordinated Principal Account” shall mean the Subordinated Principal Account established within the Subordinated Debt Service Fund under the General Resolution.

“Subordinated Redemption Account” shall mean the Subordinated Redemption Account within the Subordinated Debt Service Fund under the General Resolution.

“Supplemental Resolution” shall mean any resolution supplemental to the General Resolution adopted in accordance with the General Resolution.

“Surety Bond” shall mean the surety bond issued by the Surety Bond Provider guaranteeing certain payments into the Debt Service Reserve Fund as provided in the Resolution and in accordance with the terms of such surety bond.

“Tax Exempt Obligations” shall mean obligations the interest on which is excluded from gross income of the holder thereof for federal income tax purposes which were accompanied by a favorable opinion of Bond Counsel regarding such exclusion on the date of issuance of such obligations.

“Tender Option” shall mean, with respect to any Secured Bonds, an option which may be exercised by the Holder to tender the Secured Bonds to the Authority for purchase or payment of the Tender Option Price prior to the stated maturity thereof.

“Tender Option Price” shall mean, with respect to any Secured Bond which provides for a Tender Option, an amount equal to the unpaid principal amount of such Secured Bond.

“Traffic and Revenue Study” shall mean a traffic and revenue study of the Turnpike for a stated period of time, taking into account, among other things, any anticipated competing facilities to be built by any federal or state agencies.

“Traffic Consultant” shall mean an independent traffic consultant of nationally recognized standing or a firm or corporation of independent traffic consultants of nationally recognized standing selected by the Authority and appointed pursuant to a resolution of the Authority and having a favorable reputation for skill and experience in traffic engineering or consulting matters relating to facilities comparable in scope and character to the Turnpike.

“Trustee” shall mean the trustee appointed pursuant to the General Resolution and its successor or successors.

“Turnpike” shall mean the roadway in the State constructed between York in York County to Augusta in Kennebec County pursuant to Private and Special Law 1941, Chapter 69, Sections 1 to 20, as amended, and shall include all rights-of-way, bridges, tunnels, overpasses, underpasses and interchanges either upon the roadway or connected or connecting therewith as well as all buildings, toll facilities and other equipment, median barriers, shoulders, embankments, property rights, easements, leases and franchises relating thereto and deemed necessary or convenient for the construction, reconstruction, operation or maintenance thereof, and shall further include any and all additional property included in the definition of “Turnpike” in the Enabling Act.

“Turnpike Project” shall mean any construction, reconstruction, rehabilitation, widening or expansion of, or any extensions, extraordinary repairs, modifications or improvements to, the Turnpike, or any portion thereof, including, without limitation, any or all of the following:

(a) all highways or roads which are owned and operated by the Authority and for the use of which the Authority is charging fares, fees or tolls;

(b) all connecting tunnels, bridges, overpasses, underpasses, interchanges, administration, storage and other buildings, toll facilities, entrance plazas, service areas and stations, barriers, machinery, equipment and other facilities relating to the construction, reconstruction, operation or maintenance of any highway or road described in clause (a) above;

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- (c) all roads connecting with or relating to any highway or road described in clause (a) above; and
- (d) all other modifications, improvements, or extensions of the Turnpike and all other appurtenances necessary for the construction, reconstruction, operation or maintenance of the Turnpike.

“Unsecured Bonds” shall mean any bonds, notes or other evidence of indebtedness of the Authority which is payable from Non-Turnpike Revenues or other moneys and securities not subject to the Pledge or the Subordinated Pledge as described in the General Resolution.

“Variable Rate” shall mean any rate of interest that may vary from time to time in accordance with a formula or method, as provided in an applicable Supplemental Resolution.

“Widening Project” shall mean any construction, reconstruction, rehabilitation, widening or expansion of, or any extensions, extraordinary repairs, modifications or improvements undertaken in connection with the construction of all or a portion of a third travel lane for each direction of travel pursuant to section 1965, subsection 1, paragraph D of the Enabling Act, and for the construction or reconstruction of overpasses, bridges, interchanges, tunnels, underpasses, toll facilities and related improvements and construction in connection with the addition of any lane or lanes.

GENERAL SPECIAL OBLIGATION BOND RESOLUTION

“Account” shall mean any Account established under or pursuant to the Special Obligation Bond Resolution.

“Additional Bonds” shall mean any bonds, notes or other evidence of indebtedness issued by the Authority to finance the Costs of Department of Transportation Projects under any Supplemental Resolution.

“Advance-Refunded Municipal Bonds” shall mean Tax Exempt Obligations which have been advance-refunded prior to their maturity and which are fully and irrevocably secured as to principal and interest by (a) cash or Government Obligations (including, without limitation Government Obligations which have been stripped of their unmatured interest coupons and interest coupons stripped from Government Obligations), which are held in trust for the payment thereof, (b) Municipal Bonds which have been advance refunded as provided under (a) above, or (c) a combination of (a) and (b), which Tax Exempt Obligations are rated in the highest rating category by the Rating Agencies.

“Authority” shall mean Maine Turnpike Authority, a body corporate and politic, in existence and operating under the laws of the State, including, without limitation, the Enabling Act.

“Authorized Newspapers” shall mean “The Bond Buyer” or “The Wall Street Journal” and any newspaper or financial journal which is customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, printed in the English language, containing financial news, and of general circulation in the State.

“Authorized Official” shall mean (i) with respect to the Authority, the Chairman, the Vice Chairman, the Secretary, the Treasurer, the Executive Director of the Authority or any other person designated as such by a resolution of the members of the Authority and (ii) with respect to the Department of Transportation, the Director of Bureau of Finance and Administration or any other person designated by the Department of Transportation.

“Bond Anticipation Notes” shall mean only those Bond Anticipation Notes the interest on which is payable from and secured by the lien of the Pledge created by the Special Obligation Bond Resolution.

“Bond Counsel” shall mean any attorney or firm of attorneys nationally recognized in rendering opinions with respect to the issuance and tax exempt status of Tax Exempt Obligations, selected by the Authority.

“Bondholder” or “Holder” shall mean the person in whose name the Bond is registered.

“Bond Registrar” shall mean the Trustee acting as such, unless otherwise provided in a Supplemental Resolution.

“Bonds” or “Special Obligation Bonds” shall mean the Series 1996 Bonds, Series 1998 Bonds, Series 2008 Bonds, 2014 Special Obligation Bonds and all Additional Bonds.

“Business Day” shall mean any day other than a Saturday, a Sunday or any other day on which any Fiduciary or any provider of a Credit Facility is authorized or required by law to be closed for business.

“Capital Fund” means the Capital Fund established under the Special Obligation Bond Resolution.

“Capitalized Interest” shall mean any interest which has accrued or has been paid and which is payable or has been paid with proceeds from the sale of any Bonds (including any earnings received from the investment thereof) which were deposited into the Interest Account upon the issuance and delivery of such Bonds.

“Capital Requisition Certificate” shall mean a Certificate of the Department of Transportation which is intended to requisition moneys from the Capital Fund and which (A) sets forth in reasonable detail the following:

(i) the item number of the payment and that such item is a proper charge against the Capital Fund and has not been paid;

(ii) the name of the person, firm or corporation to whom payment is due;

(iii) the amount to be paid;

(iv) the purpose for incurring the obligation to be paid;

(B) has been approved in writing by an Authorized Official of the Authority.

“Certificate” shall mean a document or report, as the context indicates, of the Authority, the Department of Transportation, the Consulting Engineers and the Traffic Consultant, or of any of them, and signed by an authorized representative thereof, which in the case of the Authority and the Department of Transportation shall be an Authorized Official, attesting to or acknowledging the matters therein stated or setting forth matters to be determined pursuant to the Resolution.

“Certificate as to Tax Matters” shall mean, with respect to any Series of Bonds, the Certificate of the Authority provided to Bond Counsel for the purpose of rendering an opinion that such Bonds are Tax Exempt Obligations.

“Certified Financial Statements” shall mean financial statements of the Authority for a stated period, as certified by an accountant, or in the event such financial statements are for a period of less than a Fiscal Year or are for a Fiscal Year the financial statements for which have not yet been audited by an accountant, as certified by the chief financial officer of the Authority.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including any Regulations promulgated thereunder or applicable thereto.

“Commercial Paper Rate” shall mean, with respect to any Bond, a rate of interest that is fixed from time to time for periods of no longer than 270 days for any portion of the remainder of the term of the Bond, as provided in an applicable Supplemental Resolution.

“Consultant's Report” shall mean a study and report for any stated period prepared (a) by the Consulting Engineers to the extent such study and report requires any examination of the operation and maintenance of the Turnpike and (b) by the Traffic Consultant to the extent such report and study requires an examination of the past or expected Revenues for any stated period, and may be or include a Traffic and Revenue Study.

“Consulting Engineers” shall mean the engineer or engineering firm or corporation at the time employed by the Authority under the provisions of Section 805 of the 1991 General Turnpike Revenue Bond Resolution, as incorporated therein by reference in the Special Obligation Bond Resolution, to perform and carry out the duties imposed on the Consulting Engineers by the 1991 General Turnpike Revenue Bond Resolution.

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“Costs of Department of Transportation Projects” shall mean any and all necessary or incidental costs incurred by the Authority or the Department of Transportation in connection with the undertaking of any Department of Transportation Project, including, without limitation, any costs in connection with any planning, engineering study, acquisition, construction, reconstruction or extraordinary maintenance, any costs of financing, including Costs of Issuance, any interest on indebtedness or other charges attributable to, and payable during the construction of, Department of Transportation Projects which could be capitalized, based upon the advice of an accountant, any costs of placing the Department of Transportation Projects into operation, and any costs attributable to payments made from any fund or account in the name of the Authority established in connection therewith and any reserves or deposits required to secure any Bonds issued to finance such Department of Transportation Project.

“Costs of Issuance” shall mean any and all costs incurred in connection with the issuance of Bonds, including, without limitation (a) any costs incurred in connection with the offering and sale of the Bonds, including, without limitation, any payment to, or the sum equal to any discount on the Bonds offered by, the original purchasers thereof, underwriting compensation, expenses and charges, legal fees and charges, professional consultants' fees and charges and cost of credit ratings, (b) any costs incurred in connection with the printing and distribution of any official statement or other disclosure document distributed in connection with the offering and sale of Bonds, (c) any costs in connection with any Credit Facility which secures the Bonds, (d) any payments for services and disbursements of counsel to the Authority and to the Trustee, and Bond Counsel, and (e) all other costs, charges and expenses relating to the issuance of the Bonds and related matters, as may be provided in any purchase agreement for the Bonds or otherwise.

“Costs of the Kittery Acquisition” shall mean any and all necessary or incidental costs incurred by the Authority in connection with the Kittery Acquisition, including, without limitation, any costs in connection with any planning, engineering, study, acquisition, construction, reconstruction or extraordinary maintenance, any costs of financing, including Costs of Issuance, any interest on indebtedness, or other charges attributed to the Kittery Acquisition which could be capitalized, based upon the advice of an accountant, and any Costs attributable to payments made from any fund or account in the name of the Authority established in connection therewith and any reserves or deposits required to secure any Bonds issued to finance such Kittery Acquisition.

“Credit Facility” shall mean a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution, the senior long term debt obligations of which (or the holding company of any bank) are assigned a long-term rating equivalent to a rating which is at least as high as any long-term rating on the Bonds by the Rating Agencies, which provides for payment of all or a portion of the Debt Service Charges on any Series of Bonds, or provides funds for the purchase of such Bonds or portions thereof; provided, that if such Credit Facility is furnished to provide funds for the payment of a Tender Option Price of any Bond with a Tender Option which may be tendered to the Authority for purchase or payment in accordance with the provisions of any Supplemental Resolution authorizing such Bond with a Tender Option, the issuer of the Credit Facility shall have its short term debt assigned a rating in one of the two highest rating categories for short term debt by the Rating Agencies.

“Debt Service” shall mean, for any stated period of time or on any stated date, the Debt Service Charges on all Outstanding Bonds, unless stated with respect to only certain Bonds, payable during that period or on that date; except that (a) Debt Service shall not include any Capitalized Interest, (b) with respect to any Bond Anticipation Note, Debt Service shall refer only to the Bond Anticipation Note Interest, and (c) with respect to any Bonds which bear interest at a Variable Rate, a Commercial Paper Rate or other rate of interest which is not known for any period, it shall be assumed for purposes of determining the interest rate on the Bond for the period when the interest rate is unknown that the interest rate is the maximum stated interest rate on such Bonds provided in the Supplemental Resolution authorizing such Bonds.

“Debt Service Charges” shall mean, with respect to the Outstanding Bonds, the principal of and interest on and premium, if any, including without limitation any Redemption Price and any Mandatory Sinking Fund Requirements, payable on any Payment Date or upon redemption, maturity or acceleration.

“Debt Service Fund” shall mean the Debt Service Fund established under the Special Obligation Bond Resolution.

“Defeasance Obligations” shall mean the obligations described in clauses (a), (b), (h) and (i) of the definition of Investment Securities in the Special Obligation Bond Resolution; provided that such obligations shall not be redeemable prior to the maturity date or stated redemption date relied upon in satisfying the conditions of the Special Obligation

Bond Resolution and provided further that the obligations described in such clause (b) shall be rated in the highest rating category by the Rating Agencies.

“Department of Transportation” shall mean the Maine Department of Transportation and its lawful successors.

“Department of Transportation Agreement” means a certain Agreement dated the date of issuance of the Series 1996 Bonds by and between the Department of Transportation and the Authority relating to the Series 1996 Bonds, as it may be amended from time to time, and any subsequent agreement by and between the parties relating to Additional Bonds.

“Department of Transportation Project” means the rehabilitation, reconstruction or construction of any highway or bridge on the state highway system determined by the Department of Transportation and the Authority to have a sufficient relationship to the public's use of the turnpike in accordance with section 1974, subsection 6 of the Enabling Act.

“Department of Transportation Provision Account” shall mean the Department of Transportation Provision Account established within the General Reserve Fund under Section 502 of the 1991 General Turnpike Revenue Bond Resolution.

“Depository” shall mean any bank or trust company selected by the Authority as a depository of moneys to be held under the provisions of the Resolution, and may include the Trustee.

“Disbursement Records” shall mean books, records or other documents which set forth the information contained in all Capital Requisition Certificates and all Certificates of the Authority or the Department of Transportation which direct any Fiduciary to transfer moneys from one Fund or Account to another Fund or Account and which, with respect to payments from any Fund or Account (excluding any transfers to another Fund or Account as directed in a Certificate of the Authority), set forth in reasonable detail the following:

- (a) the item number of the payment and the corresponding number of the check or withdrawal order;
- (b) the name of the person receiving payment;
- (c) the amount paid; and
- (d) the purpose for incurring the obligation paid;

“Enabling Act” shall mean Title 23, Part 1, Chapter 24, Sections 1961-1982, inclusive, Maine Revised Statutes, as amended from time to time.

“Event of Default” shall mean those events which, by themselves or with the passage of time, constitute an event of default under the Special Obligation Bond Resolution.

“Fiduciary” shall mean the Trustee, any Depository or any Paying Agent.

“Fiscal Year” shall mean the twelve months beginning on January 1 and ending on December 31 in each calendar year.

“Fixed Rate” shall mean any rate of interest that is fixed from a date certain to a future date certain.

“Fund” shall mean any Fund established under or pursuant to the Special Obligation Bond Resolution.

“General Reserve Fund” shall mean the General Reserve Fund established under the 1991 General Turnpike Revenue Bond Resolution.

“Government Obligations” shall mean direct general obligations of, or obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

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“Interest Account” shall mean the Interest Account established within the Debt Service Fund under the Special Obligation Bond Resolution.

“Investment Securities” shall mean and include any of the following securities, if and to the extent the same are at the time legal investments by the Authority of the funds to be invested therein and conform to the policies set forth in any investment guidelines adopted by the Authority and in effect at the time of the making of such investment:

(a) Government Obligations and certificates or receipts representing direct ownership of future interest or principal payments on Government Obligations or any obligations of agencies or instrumentalities of the United States of America which are backed by the full faith and credit of the United States, which obligations are held by a custodian in safekeeping on behalf of the holders of such receipts;

(b) Obligations issued or guaranteed by the following: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Land Banks, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Financing Corporation, The Resolution Funding Corporation, or any other any agency or instrumentality of the United States, provided that the foregoing obligations are rated in one of the two highest rating categories by the Rating Agencies;

(c) (i) Interest-bearing time or demand deposits, certificates of deposit maturing in one year or less, or other similar banking arrangements with any government securities dealer, bank, trust company, savings and loan association, national banking association or other savings institution (including the Trustee), provided that such deposits, certificates, and other arrangements are fully insured by the Federal Deposit Insurance Corporation or (ii) interest-bearing time or demand deposits or certificates of deposit with any bank, trust company, national banking association or other savings institution (including the Trustee); provided (A) that with respect to (i) and (ii) any such obligations are held by a Fiduciary or a bank, trust company or national banking association (other than the issuer of such obligations, unless the issuer is a Fiduciary), (B) that (1) with respect to (ii) such deposits and certificates are in or with a bank, trust company, national banking association or other savings institution whose long-term unsecured debt is rated in one of the two highest long-term rating categories by the Rating Agencies and (2) the investment in such deposits and certificates will not result in a reduction in any rating on the Bonds by the Rating Agencies;

(d) Repurchase agreements collateralized by securities described in subparagraph (a) above with any registered broker/dealer reporting to the Federal Reserve Bank of New York or with any commercial bank (including any Fiduciary), provided that (i) a specific written repurchase agreement governs the transaction, (ii) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (A) a Federal Reserve Bank, or (B) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50,000,000, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (iii) the repurchase agreement has a term of one year or less and the Trustee will value the collateral securities no less frequently than is required by the Rating Agencies to maintain the rating assigned by the Rating Agencies on the Bonds and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within five business days after such valuation, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least an amount (which may be expressed in a percentage of the amount of the repurchase obligation) which is required by the Rating Agencies to maintain the rating assigned by the Rating Agencies on the Bonds;

(e) Money market funds which are authorized to invest only in assets or securities described in subparagraphs (a), (b) and (d) above and are rated in one of the two highest rating categories by the Rating Agencies, provided that the investment in such money market funds will not result in a reduction in the rating on the Bonds by the Rating Agencies;

(f) Investment contracts with financial institutions the long term debt obligations of which are rated in one of the two highest rating categories by the Rating Agencies, provided that such investment contracts are rated at least the same as such debt obligations and will not result in a reduction of the rating on the Bonds by the Rating Agencies; for so long as the Series 1996 Bond Insurance Policy is in effect, Investment contracts

approved in writing by the Series 1996 Bond Insurer, provided that such investment contracts are rated at least the same as the Series 1996 Bonds and will not result in a reduction of the rating on the Series 1996 Bonds by the Rating Agencies.

- (g) Municipal Bonds;
- (h) State Obligations;
- (i) Advance-Refunded Municipal Bonds;

provided, that any investment or deposit described above shall comply to the extent applicable with provisions of the Code and Regulations relating to the acquisition of investments at fair market value or on an arm's length basis.

"Kittery Acquisition" shall mean the purchase by the Authority from the State, acting by and through the Department of Transportation, of a section of Interstate 95 in Kittery, as provided in the Kittery Acquisition Agreement.

"Kittery Acquisition Agreement" shall mean the Agreement by and between the Authority of the State, acting by and through the Department of Transportation, providing for the sale to the Authority of the approximately 1.9 mile of Interstate 95 in Kittery, as set forth in such Kittery Acquisition Agreement.

"Mandatory Sinking Fund Requirements" shall mean the principal amounts set forth in a Supplemental Resolution due and payable on the dates specified therein as a result of mandatory redemption of Bonds in the Series authorized by such Supplemental Resolution.

"Maximum Annual Debt Service" shall mean the largest total Debt Service payable in the current or any succeeding Fiscal Year.

"Multiple Mode" shall mean, with respect to any Bond, a Bond which by its terms may be converted from time to time to a Bond bearing interest at a Fixed Rate for any stated period of time, a Bond bearing interest at a Variable Rate for any stated period of time with or without a Tender Option, a Bond bearing interest at a Commercial Paper Rate for any stated period of time, a capital appreciation Bond or to a Bond bearing some other method for the payment of principal and interest, or any combination of the foregoing, any or all as may be authorized and provided in any applicable Supplemental Resolution.

"Municipal Bonds" shall mean obligations issued or guaranteed by any state or political subdivision, agency or instrumentality thereof (including stripped obligations the principal of and interest on which have been separated and offered for sale separate from each other) which are rated in one of the two highest rating categories by the Rating Agencies.

"Net Revenues" shall mean the Revenues for any stated period of time less Operating Expenses for such stated period of time.

"Operating Expenses" shall mean the Authority's reasonable and necessary current expenses of maintenance, repair and operation of the Turnpike and shall include, without limitation, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, premiums for insurance, all administrative and engineering expenses relating to maintenance, repair and operation of the Turnpike, and all fees and expenses required to be paid by the Authority under the provisions of the 1991 General Turnpike Revenue Bond Resolution or by law, all to the extent properly and directly attributable to the operation of the Turnpike, provided that Operating Expenses shall not include any reserves for extraordinary maintenance or repair, any payment of Reimbursement Obligations, any costs or expenses for new construction, any allowance for depreciation, or any deposits or transfers to the credit of the Debt Service Fund, the Debt Service Reserve Fund, the Subordinated Debt Service Fund, the Subordinated Debt Service Reserve Fund, the Reserve Maintenance Fund, the General Reserve Fund or the Rebate Fund under the 1991 General Turnpike Revenue Bond Resolution, as those terms are defined therein.

"Outstanding", when used with reference to Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

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- (a) any Bonds cancelled by the Trustee at or prior to such date;
- (b) any Bond (or portion thereof) for the payment or redemption of which there shall be set aside and held in trust hereunder either:
 - (i) moneys in an amount sufficient to pay when due the principal or Redemption Price thereof, together with all accrued interest;
 - (ii) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the principal or Redemption Price thereof, together with all accrued interest; or
 - (iii) any combination of (i) and (ii) above, and, if such Bond or portion thereof is to be redeemed, for which notice of redemption has been given as provided in Article IV, or the applicable Supplemental Resolution, or provision satisfactory to the Trustee has been made for the giving of such notice;
- (c) any Bond in lieu of or in substitution for which other Bonds have been authenticated and delivered; and
- (d) any Bond deemed to have been paid as provided in the Special Obligation Bond Resolution.

“Paying Agent” shall mean any bank or trust company designated as a Paying Agent by or in accordance with the Special Obligation Bond Resolution.

“Payment Date” shall mean January 1 and July 1 of each year, commencing January 1, 1997.

“Pledge” shall mean the pledge of the Special Obligation Revenues, Funds and Accounts and other moneys and securities as provided in the Special Obligation Bond Resolution.

“Pledged Collateral” shall mean the Special Obligation Revenues, the Funds and Accounts and other moneys and securities pledged under the Special Obligation Bond Resolution.

“Principal Account” shall mean the Principal Account established within the Debt Service Fund under the Special Obligation Bond Resolution.

“Principal Payment Date” shall mean any date on which any principal of Outstanding Bonds is due and payable, whether by maturity, Mandatory Sinking Fund Requirements, optional or mandatory redemption or acceleration.

“Rating Agencies” shall mean Fitch Investors Service, Moody's Investors Service Inc. and Standard & Poor's Ratings Group and their respective successors and assigns if such rating agency is maintaining a rating on the Bonds at the request of the Authority, and shall also include any other rating agency nationally recognized for skill and expertise in rating the credit of obligations such as the Bonds and which is maintaining a rating on the Bonds at the request of the Authority.

“Rebate Fund Requirement” shall mean, as of any date of calculation, an amount equal to the aggregate of the amounts, if any, specified in each Supplemental Resolution authorizing the issuance of a Series of Bonds which are Tax Exempt Obligations, or the Tax Regulatory Agreement pertaining thereto, as the amount required to be maintained in the Rebate Fund with respect to such Bonds.

“Record Date” shall mean, unless otherwise determined by a Supplemental Resolution for a particular Series of Bonds, the fifteenth day of the month immediately preceding any month in which there occurs a Payment Date.

“Redemption Account” shall mean the Redemption Account established within the Debt Service Fund under the Special Obligation Bond Resolution.

“Redemption Price” shall mean, when used with respect to a Bond or portion thereof, the principal amount thereof plus the applicable premium, if any, payable upon either optional or mandatory redemption thereof pursuant to the Resolution.

“Regulations” shall mean the Treasury Regulations applicable to the Code.

“Reimbursement Obligation” shall mean the amount or amounts owing to a provider of a Credit Facility for any amount drawn on or paid from such Credit Facility, including any interest owing on the amount so drawn or paid.

“Required Reserve Maintenance Deposit” shall mean the aggregate amount of Revenues which is required to be deposited into the Reserve Maintenance Fund during any Fiscal Year in accordance with the certification approved by the Authority, as provided in the 1991 General Turnpike Revenue Bond Resolution.

“Reserve Maintenance Fund” shall mean the Reserve Maintenance Fund established under the 1991 General Turnpike Revenue Bond Resolution.

“Resolution” shall include the Special Obligation Bond Resolution and each Supplemental Resolution.

“Revenue Fund” shall mean the Revenue Fund established under the 1991 General Turnpike Revenue Bond Resolution.

“Revenues” shall mean all moneys, funds and other income received by the Authority from the operation of the Turnpike, including, without limitation: (a) all concessions, charges, fees, fares, receipts, rents, tolls, proceeds of any use and occupancy insurance relating to the Turnpike and of any other insurance which insures against loss of Revenues and other income received in connection with the use of the Turnpike and other services made available in connection with the Turnpike, (b) the moneys, funds and investment income received from any investment of the Revenues described in (a), and (c) all investment income with respect to the Accounts and Funds established under the 1991 General Turnpike Revenue Bond Resolution other than the Capital Fund established thereunder; provided, however, that Revenues shall not include any moneys, funds or investment income in the Rebate Fund established thereunder. “Revenues” shall not include any Non-Turnpike Revenues as defined in the 1991 General Turnpike Bond Resolution and any supplemental resolution adopted in connection therewith unless expressly provided otherwise in a supplemental resolution to the 1991 General Turnpike Revenue Bond Resolution.

“Series” shall mean, with respect to any Bonds, any designated series of Bonds, as provided in any Supplemental Resolution.

“Special Obligation Revenues” shall mean any moneys, funds or other income (a) transferred to the Trustee for deposit in the Debt Service Fund pursuant to the Special Obligation Bond Resolution from the Department of Transportation Provision Account or any other account established under the 1991 General Turnpike Revenue Bond Resolution, (b) the moneys, funds and investment income received from any investment of the Special Obligation Revenues described in (a), and (c) all income with respect to the Accounts and Funds established under the Special Obligation Bond Resolution; provided, however, that Special Obligation Revenues shall not include any moneys, funds or investment income in the Rebate Fund.

“State” shall mean the State of Maine, one of the United States of America.

“State Obligations” shall mean those obligations issued or guaranteed by the State, the due and prompt payment of principal of and interest and premium, if any, on which is secured by the full faith and credit and general taxing power of the State.

“Supplemental Resolution” shall mean any resolution supplemental to the Resolution adopted in accordance with the Special Obligation Bond Resolution.

“Tax Exempt Obligations” shall mean obligations the interest on which is excluded from gross income of the holder thereof for federal income tax purposes which were accompanied by a favorable opinion of Bond Counsel regarding such exclusion on the date of issuance of such obligations.

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“Tax Regulatory Agreement” shall mean the Tax Regulatory Agreement executed by the Authority with respect to any Series of Bonds which are Tax Exempt Obligations.

“Tender Option” shall mean, with respect to any Bonds, an option which may be exercised by the Holder to tender the Bonds to the Authority for purchase or payment of the Tender Option Price prior to the stated maturity thereof.

“Tender Option Price” shall mean, with respect to any Bond which provides for a Tender Option, an amount equal to the unpaid principal amount of such Bond.

“Traffic Consultant” shall mean an independent traffic consultant of nationally recognized standing or a firm or corporation of independent traffic consultants of nationally recognized standing selected by the Authority and appointed pursuant to a resolution of the Authority and having a favorable reputation for skill and experience in traffic engineering or consulting matters relating to facilities comparable in scope and character to the Turnpike.

“Trustee” shall mean Fleet Bank of Maine, with an office in Portland, Maine, and its successor or successors and any other person which may at any time be substituted in its place pursuant to the Resolution.

“Turnpike” shall mean the roadway in the State constructed between Kittery in York County and Augusta in Kennebec County pursuant to Private and Special Law 1941, Chapter 69, Sections 1 to 20, as amended, and shall include all rights-of-way, bridges, tunnels, overpasses, underpasses and interchanges either upon the roadway or connected or connecting therewith as well as all buildings, toll facilities and other equipment, median barriers, shoulders, embankments, property rights, easements, leases and franchises relating thereto and deemed necessary or convenient for the construction, reconstruction, operation or maintenance thereof, and shall further include any and all additional property included in the definition of “Turnpike” in the Enabling Act.

“Turnpike Revenue Bond Required Debt Service Deposit” shall mean the “required debt service deposit” as defined in the 1991 General Turnpike Revenue Bond Resolution and any supplemental resolution adopted in connection therewith.

“Turnpike Revenue Bond Required Debt Service Reserve Deposit” shall mean the “required debt service reserve deposit” as defined in the 1991 General Turnpike Revenue Bond Resolution and any supplemental resolution adopted in connection therewith.

“Variable Rate” shall mean any rate of interest that may vary from time to time in accordance with a formula or method, as provided in an applicable Supplemental Resolution.

“1991 General Turnpike Revenue Bond Resolution” shall mean the General Turnpike Revenue Bond Resolution of the Authority adopted on April 18, 1991, as amended, and each supplemental resolution adopted in connection therewith.

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following are summaries of certain provisions of the General Resolution. These summaries do not purport to be complete or definitive and are qualified in their entirety by reference to the full terms of such documents. All capitalized terms used in this summary and not defined below or elsewhere in this Official Statement have the same meanings as in the General Resolution.

Issuance and Delivery of Additional Bonds

Subject to the provisions of the Resolution, and provided that there are no deficiencies in any Fund or Account and there is no Event of Default which has occurred and is continuing, the Authority, may from time to time issue and deliver one or more Series of Additional Bonds for the purpose of (i) refunding any one or more Series, or one or more maturities within any Series, of Outstanding Secured Bonds or Unsecured Bonds (to the extent that Secured Bonds could be issued for the purposes for which such Unsecured Bonds were issued if such Unsecured Bonds had been issued at the time of such refunding) or (ii) paying for all or a portion of the Costs of a Turnpike Project.

Additional Bonds shall be on a parity and shall be secured equally and ratably with the Series 1991 Bonds and any Additional Bonds theretofore or thereafter issued and Outstanding, as to the Bond Pledged Collateral; provided, however, that nothing herein shall prevent payment of Debt Service Charges on any Series of Additional Bonds from being otherwise secured and/or protected with a Credit Facility or from sources or property or instruments not applicable to the Series 1991 Bonds and/or any one or more Series of Additional Bonds.

Before any Additional Bonds may be issued by the Authority and authenticated by the Trustee for delivery, the Authority shall (x) cause the Consulting Engineers to prepare a Consultant's Report on capital cost estimates and projected Operating Expenses and projected Required Reserve Maintenance Deposits for a period of time beginning at the end of the current Fiscal Year and ending on the later of the fifth complete Fiscal Year next following the expected date of issuance of such Additional Bonds or the second complete Fiscal Year next following the estimated completion date of the proposed Turnpike Project being financed by such Additional Bonds, (y) cause the Traffic Consultant to prepare a Traffic and Revenue Study for such period and (z) furnish the Trustee with the following documentation:

(i) A Certificate of the Authority, based upon Certified Financial Statements, stating that Net Revenues were equal to or greater than the Net Revenue Requirement for the Fiscal Year immediately preceding the Fiscal Year in which the Additional Bonds are to be issued; and

(ii) a Certificate of the Authority, based upon the Consultant's Report and the Traffic and Revenue Study described in (c) above, stating that (A) projected Net Revenues (which may include any toll increases then approved and scheduled to be in effect within 6 months after the issuance of the proposed Additional Bonds) for (1) the Fiscal Year in which the Additional Bonds are to be issued and for each complete Fiscal Year thereafter until (2) the fifth Fiscal Year thereafter or the second complete Fiscal Year next following the estimated completion date of the Turnpike Project for which the Additional Bonds are to be issued, whichever is reasonably expected to occur later, are reasonably expected to equal or exceed the Net Revenue Requirement for each such Fiscal Year (assuming the issuance of such Additional Bonds), and (B) projected Net Revenues in the second Fiscal Year next following the Fiscal Year in which completion date of such Turnpike Project is reasonably expected to occur are reasonably expected to equal at least one hundred twenty percent (120%) of the maximum Debt Service with respect to all Outstanding Bonds, including such proposed Additional Bonds, for any Fiscal Year in which such Bonds will be Outstanding;

provided, however, that the documentation required by (i) and (ii) above will not need to be furnished in the case of any Additional Bonds issued for the purpose of refunding Outstanding Bonds if the Trustee is furnished a Certificate, signed by an Accountant, stating that the issuance of such Additional Bonds will not result in the Debt Service on all Outstanding Bonds being any greater in any Fiscal Year than the Debt Service would have been had such Bonds not been refunded.

The Supplemental Resolution entered into in connection with a Series of Additional Bonds shall establish and provide for those documents and instruments which must be received by the Trustee, and any other conditions which must be fulfilled, before the Trustee may authenticate and deliver such Additional Bonds. (Section 204)

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Issuance and Delivery of Subordinated Bonds

Subject to the provisions of the Resolution, the Authority, may from time to time issue and deliver one or more Series of Subordinated Bonds for the purpose of (i) refunding any one or more Series, or one or more maturities within any Series, of Outstanding Secured Bonds or Unsecured Bonds (to the extent that Secured Bonds could be issued for the purposes for which such Unsecured Bonds were issued if such Unsecured Bonds had been issued at the time of such refunding) or (ii) paying for all or a portion of Costs of Turnpike Projects.

Subordinated Bonds shall not be on a parity with the Series 1991 Bonds or any Additional Bonds theretofore or thereafter issued and Outstanding, as to the Bond Pledged Collateral, but shall be payable solely from and secured by the Subordinated Bond Pledged Collateral; provided, however, that nothing herein shall prevent payment of Debt Service Charges on any Series of Subordinated Bonds from being otherwise secured and/or protected with a Credit Facility or from sources or property or instruments not applicable to any one or more Series of Bonds.

Before any Subordinated Bonds may be issued by the Authority and authenticated by the Trustee for delivery, the Authority shall furnish the Trustee with a Certificate of an Authorized Official, based upon Certified Financial Statements, stating that Net Revenues were at least equal to the Net Revenue Requirement for the Fiscal Year immediately preceding the Fiscal Year in which the Subordinated Bonds will be issued.

The Supplemental Resolution entered into in connection with a Series of Subordinated Bonds shall establish and provide for those documents and instruments which must be received by the Trustee, and any other conditions which must be fulfilled, before the Trustee may authenticate and deliver such Subordinated Bonds. (Section 205)

Redemption

Notice of Redemption. Notice of the call for any redemption of Secured Bonds prior to maturity (a) shall be published once, at least thirty (30) and not more than forty-five (45) days before the redemption date, in Authorized Newspapers, (b) shall be filed with the Paying Agent and (c) shall be mailed, by registered or certified mail, postage prepaid, to the Holder of each such Secured Bond to be redeemed at the address shown on the registration books kept by the Trustee, as Bond Registrar; provided, however, that any failure to publish such notice or to give such notice to any Paying Agent or to mail such notice to any Holder of a Secured Bond, or any defect in any such notice, shall not affect the validity of any proceedings for the redemption of any of the Secured Bonds. Each such notice shall identify by designation, letters, numbers, or other distinguishing marks (including CUSIP numbers), the numbers of the Secured Bond, or portions thereof to be redeemed, the Redemption Price to be paid, the date of general mailing of notices to Holders, the date fixed for redemption, the name and address of the place or places where the amounts due upon such redemption are payable, including the name of any Paying Agent together with a contact person and telephone number, and the issue date, interest rate and maturity date of the Secured Bonds. Such notice shall further state that on such date there shall become due and payable upon each Secured Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Secured Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. In case any Secured Bond of a Series is to be redeemed in part only, the notice of redemption which relates to such Secured Bond shall state also that on or after the redemption date, upon surrender of such Secured Bond, a new Secured Bond or Secured Bonds of such Series in principal amount equal to the unredeemed portion of such Secured Bond will be issued. In the case of any optional redemption of Secured Bonds prior to maturity to be made at the direction of the Authority, the Trustee shall give the notices required by this Section as soon as practicable after receipt of written notice from the Authority of such direction and shall not be required to give such notices until such time. (Section 402)

Rights of Bondholders upon Redemption. Notice having been published and filed in the manner and under the conditions hereinabove provided, the Secured Bonds or portions of Secured Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Secured Bonds and portions of Secured Bonds on such date. On the date so designated for redemption, notice having been published and filed and moneys for payment of the redemption price being held in separate accounts by the Trustee or by the Paying Agent in trust for the Holders of the Secured Bonds or portions thereof to be redeemed all as provided in the General Resolution, interest on the Secured Bonds or portions of Secured Bonds so called for redemption shall cease to accrue, such Secured Bonds and portions of Secured Bonds shall cease to be entitled to any lien, benefit or security under the General Resolution, and the Holders or registered owners of such Secured Bonds or portions of Secured Bonds shall have no rights in respect thereof except to receive payment of

the redemption price thereof and, to the extent provided in the section entitled “Partial Redemption” to receive Secured Bonds for any unredeemed portions of Secured Bonds. (Section 403)

Partial Redemption. In case part but not all of an Outstanding Secured Bond shall be selected for redemption, the Secured Bondholder or the registered owner thereof or his attorney or legal representative, as the case may be, shall present and surrender such Secured Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, a Secured Bond for the unredeemed balance of the principal amount of the Secured Bond so surrendered. (Section 404)

Cancellation of Paid or Redeemed Secured Bonds. All Secured Bonds finally paid or redeemed either at or before maturity, shall be delivered to the Trustee when such payment, redemption or purchase is made and such Secured Bonds shall thereupon be cancelled. All cancelled Secured Bonds shall be held by the Trustee until this Resolution shall be released; provided, however, that Secured Bonds so cancelled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate describing the Secured Bonds so destroyed, and one executed certificate shall be filed with the Treasurer of the Authority, and the other executed certificate shall be retained by the Trustee. (Section 405)

Purchase or Redemption of Bonds by Authority. The Authority may apply funds held in the Improvement Account under the General Resolution upon compliance with the conditions set forth in section entitled “General Reserve Fund” to redeem Bonds pursuant to the redemption provisions applicable to such Bonds; (ii) to redeem Special Obligation Bonds pursuant to the redemption provisions applicable to such Special Obligation Bonds, or (iii) to purchase Bonds or Special Obligation Bonds of any maturity and credit them against the principal payment for such maturity or, as the case may be, any sinking fund installment for such maturity at the principal amount or applicable redemption price, as the case may be, by delivering them to the Trustee or the Special Obligation Bond Trustee, as appropriate, for cancellation at least sixty (60) days before the principal payment date or sinking fund installment date. (Section 406)

Funds and Accounts

The Pledges Effected by the General Resolution. There are pledged for the payment of the Bonds, in accordance with their terms and the provisions of the General Resolution, subject only to the provisions of the General Resolution permitting the application thereof for or to the purposes and on the terms and conditions set forth in the General Resolution: (i) all Revenues; (ii) all moneys and securities in any of the Funds, Accounts and Subaccounts (except the Rebate Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund) together with the investment income therefrom except to the extent such income is required to be deposited in the Rebate Fund pursuant to a Supplemental Resolution; and (iii) all other moneys and securities to be received, held or set aside by the Authority or by any Fiduciary pursuant to the General Resolution (except Subordinated Bond proceeds). It is the intention of the Authority that, to the fullest extent permitted by law, this pledge shall be valid and binding from the time when it is made, that the Revenues, moneys, securities and other funds so pledged and then or thereafter received by the Authority shall immediately be subject to the lien of such pledge and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

Subject only to the prior pledge created for the payment of the Bonds in the General Resolution and the applications and charges set forth or referred to in the General Resolution, and on the terms and conditions set forth therein with respect to such prior pledge, applications and charges, the Subordinated Bond Revenues, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund are further pledged to the payment of the Subordinated Bonds. (Section 501)

Establishment of Funds and Accounts. The General Resolution establishes the following special Funds and Accounts in the name of Maine Turnpike Authority:

- (a) Capital Fund
- (b) Revenue Fund
- (c) Debt Service Fund, containing:

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- (i) Interest Account
- (ii) Principal Account
- (iii) Redemption Account
- (d) Debt Service Reserve Fund
- (e) Reserve Maintenance Fund
- (f) General Reserve Fund, containing:
 - (i) Insurance Account
 - (ii) Improvement Account
 - (iii) Department of Transportation Provision Account
 - (iv) Interchange Account
- (g) Subordinated Debt Service Fund, containing:
 - (i) Subordinated Interest Account
 - (ii) Subordinated Principal Account
 - (iii) Subordinated Redemption Account
- (h) Subordinated Debt Service Reserve Fund
- (i) Rebate Fund.

Any Supplemental Resolution providing for a Series of Secured Bonds may establish separate Accounts or Subaccounts which shall be designated by reference to that particular Series of Secured Bonds in any of the foregoing Funds and Accounts.

Any Supplemental Resolution which provides for a Credit Facility to secure the payment of the principal of and interest on the Secured Bonds authorized thereby or to secure the payment of the Tender Option Price, may establish one or more Accounts in the Debt Service Funds, Debt Service Reserve Fund, the Subordinated Debt Service Fund or the Subordinated Debt Service Reserve Fund, as appropriate, to segregate the moneys received from any draw or payment pursuant to a Credit Facility or to provide a separate source of payment on any such Secured Bonds; provided, however, that to the extent that such moneys are not available to pay Debt Service Charges on all Outstanding Bonds, any reimbursement to the provider of such Credit Facility shall be made solely from Subordinated Bond Pledged Collateral.

Unless otherwise expressly provided in the General Resolution, the Revenue Fund, the Reserve Maintenance Fund and the General Reserve Fund may be held by one or more Depositories, as determined by the Authority. The Capital Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Subordinated Debt Service Fund, the Subordinated Debt Service Reserve Fund and the Rebate Fund shall be held by the Trustee. (Section 502)

Capital Fund. All payments from the Capital Fund shall be for the Costs of Turnpike Projects, provided that the Authority may requisition the Trustee to make payments for other purposes from the Capital Fund with proceeds from the sale of Bonds which were issued as Tax Exempt Obligations if the Authority shall first deliver to the Trustee an opinion of Bond Counsel to the effect that any such payment shall not adversely affect the exclusion of the interest paid on the Bonds from gross income under federal income tax laws. The Authority shall requisition the Trustee for each payment from the Capital Fund by filing with the Trustee a Capital Requisition Certificate.

Upon receipt of each such Certificate, the Trustee shall withdraw from the Capital Fund an amount equal to the total of the amounts to be paid as set forth in such Certificate. Each such obligation shall be paid by check (or other method of transaction acceptable to the Authority and the Trustee) signed by an Authorized Official.

When the payments from the Capital Fund shall have been completed, which fact shall be evidenced to the Trustee by a Certificate stating the date of such completion, signed by an Authorized Official of the Authority and approved by the Consulting Engineers, the balance in the Capital Fund not reserved by the Authority for the payment of any remaining part of any Costs of Turnpike Projects (whether or not such Costs were financed with the issuance of any Secured Bonds), shall be transferred by the Trustee to the Debt Service Fund and credited as provided in a Supplemental Resolution. (Section 503)

Revenue Fund. The Authority covenants that all Revenues from and after the time of the issuance and delivery of the Series 1991 Bonds will be collected by the Authority and deposited daily, or as soon as practicable, to the credit of the Revenue Fund. Except for the transfers authorized in the paragraph below, all moneys held for the credit of the Revenue Fund shall be expended solely for Operating Expenses and for the payment of amounts necessary to satisfy the Authority's obligations pursuant to section 148(f) of the Code. During any Fiscal Year the total amount of payments from the Revenue Fund shall not be in excess of the unencumbered balance available for Operating Expenses in accordance with the Annual Budget for such Fiscal Year; provided, however, that payments may be made from the Revenue Fund in excess of such unencumbered balance if the Consulting Engineers approve such payments for an Emergency, as evidenced in a Certificate filed with the Depository holding the Revenue Fund.

On or before the 15th day of each month, beginning June 15, 1991, the Authority shall cause the Fiduciary holding the Revenue Fund to disburse from the Revenue Fund an amount equal to the reconciled balance of all moneys held for the credit of the Revenue Fund at the close of business on the last day of the next preceding month less an amount (to be retained for Operating Expenses pursuant to the paragraph above) equal to fifteen per centum (15%) of the amount shown by the Annual Budget to be necessary for Operating Expenses for the current Fiscal Year. The respective disbursements shall be set forth by the Authority in a Certificate to such Fiduciary and shall occur in the following order:

- (a) to the Trustee for credit to the Interest Account of the Debt Service Fund, such amount as, together with any other funds then in said Interest Account and available for such purpose, shall be equal to the amount required to pay the interest portion of the Debt Service Charges which will become payable on the next ensuing Payment Date on all Outstanding Bonds;
- (b) to the Trustee for credit to the Principal Account, such amount as, together with any other funds then in said Principal Account and available for such purpose, shall be required to pay the principal portion of Debt Service Charges on all Outstanding Bonds which will become payable on the next ensuing Principal Payment Date;
- (c) to the Trustee for credit to the Debt Service Reserve Fund, such amount as may be required to make the amount then to the credit of the Debt Service Reserve Fund equal to the Debt Service Reserve Requirement; provided, however, that in connection with any Debt Service Reserve Requirement which has been increased as a result of (A) the Net Revenues being less than two hundred percent (200%) of the Debt Service on Outstanding Bonds in either of the two consecutive immediately preceding Fiscal Years, the Authority may establish one or more additional separate Accounts within the Debt Service Reserve Fund for the increased amount which may be funded in level monthly payments over a 12 month period beginning with the month of January following such two immediately preceding Fiscal Years (except that any such monthly payments from prior months which have not been funded shall be funded immediately) and (B) the issuance of any Additional Bonds, the Authority may establish one or more additional separate Accounts within the Debt Service Reserve Fund for the increased amount which may be funded in level monthly payments over a 36 month period, beginning with the month next following the issuance of such Additional Bonds;
- (d) to the Fiduciary holding the Reserve Maintenance Fund for credit to the Reserve Maintenance Fund, such amount as may be required to make the amount deposited for the credit of the Reserve Maintenance Fund in such Fiscal Year equal to the Required Reserve Maintenance Deposit; provided, however, that if the amount so deposited for the credit of said Fund in any Fiscal Year shall be less than the Required Reserve Maintenance Deposit, the requirement thereof shall nevertheless be cumulative and the amount of any

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deficiency in any Fiscal Year shall be added to the amount otherwise required to be deposited in each Fiscal Year thereafter until such time as such deficiency shall have been made up, unless such Required Reserve Maintenance Deposit shall have been modified by the Authority with the consent of the Consulting Engineers as evidenced in a Certificate of the Authority and a Certificate of the Consulting Engineers, signed copies of such Certificates to be filed with the Trustee and the Authority; and

(e) to the Fiduciary holding the General Reserve Fund for credit to the General Reserve Fund, the balance remaining after making the deposits under clauses (i), (ii), (iii) and (iv) above. (Section 504)

Debt Service Funds. The Trustee shall, from time to time, withdraw from the Debt Service Fund and (i) remit by mail to each owner of Bonds the amounts required for paying interest upon such Bonds as such interest becomes due and (ii) set aside or deposit in trust with the Paying Agent sufficient moneys for paying the principal of all Outstanding Bonds as the principal becomes due.

The Trustee further shall, from time to time, withdraw from the Subordinated Debt Service Fund and (i) remit by mail to each owner of Subordinated Bonds the amounts required for paying interest upon such Subordinated Bonds as such interest becomes due and (ii) set aside or deposit in trust with the Paying Agent sufficient moneys for paying the principal of all Outstanding Subordinated Bonds as the principal becomes due. (Section 505)

Debt Service Reserve Funds. Moneys held for the credit of the Debt Service Reserve Fund shall be used for the purpose of paying interest on and principal of Bonds whenever moneys on deposit in the Debt Service Fund shall be insufficient for such purpose. To the extent that the moneys held for the credit of the Debt Service Fund five Business Days prior to a Payment Date shall be insufficient to pay the Debt Service Charges due and payable on Bonds on such Payment Date, the Trustee shall immediately withdraw moneys from the Debt Service Reserve Fund to deposit into the Debt Service Fund in an amount, when added to the moneys in the Debt Service Fund and available to pay the Debt Service Charges on such Payment Date, will be sufficient to pay such Debt Service Charges on such Payment Date. If at the time of evaluation of the investments held in the Debt Service Reserve Fund pursuant to the General Resolution the moneys held for the credit of the Debt Service Reserve Fund shall exceed the Debt Service Reserve Requirement for Outstanding Bonds, such excess amount shall be transferred by the Trustee to the credit of the Capital Fund if there is any balance remaining in the Capital Fund to be applied to Costs of Turnpike Projects, or if there is no such balance, then to the credit of the Debt Service Fund in accordance with the applicable Certificate as to Tax Matters.

Moneys held for the credit of the Subordinated Debt Service Reserve Fund shall be used for the purpose of paying interest on and principal of Subordinated Bonds whenever moneys on deposit in the Subordinated Debt Service Reserve Fund shall be insufficient for such purpose. To the extent that the moneys held for the credit of the Subordinated Debt Service Fund five Business Days prior to a Payment Date shall be insufficient to pay the Debt Service Charges due and payable on Subordinated Bonds on such Payment Date, the Trustee shall immediately withdraw moneys from the Subordinated Debt Service Reserve Fund to deposit into the Subordinated Debt Service Fund in an amount, when added to the moneys in the Subordinated Debt Service Fund and available to pay such Debt Service Charges on such Payment Date, will be sufficient to pay such Debt Service Charges on such Payment Date. If at the time of evaluation of the investments held in the Debt Service Reserve Fund pursuant to the General Resolution the moneys held for the credit of the Subordinated Debt Service Reserve Fund shall exceed the Debt Service Reserve Requirement for Outstanding Subordinated Bonds, such excess amount shall be transferred by the Trustee to the credit of the Capital Fund if there is any balance remaining in the Capital Fund to be applied to Costs of Turnpike Projects, or if there is no such balance, then to the credit of the Subordinated Debt Service Fund in accordance with the applicable Certificate as to Tax Matters.

Moneys held in the Debt Service Reserve Accounts established for each series of Bonds shall be applied in accordance with the provisions set forth in the General Resolution. (Section 506)

Redemption Accounts. Moneys held for the credit of the Redemption Account and the Subordinated Redemption Account shall be applied to the redemption or payment of Outstanding Bonds and Outstanding Subordinated Bonds, respectively, as follows:

(a) Subject to the provisions of the General Resolution and the following paragraph (b), the Trustee shall call for redemption on each Payment Date on which Secured Bonds are subject to redemption such amount of Secured Bonds or portions of Secured Bonds then subject to redemption as, with any premium

payable under the General Resolution and all necessary and proper expenses incurred in connection therewith, will exhaust the Redemption Account as nearly as may be; provided, however, that not less than One Hundred Thousand Dollars (\$100,000) principal amount of Secured Bonds shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of the General Resolution.

(b) Not less than thirty (30) days before the redemption date the Trustee shall withdraw from the Debt Service Fund and from the Redemption Account and set aside in separate accounts the respective amounts required for paying the Debt Service Charges on the Bonds or portions of Bonds so called for redemption, and shall pay from the Redemption Account all expenses in connection with such redemption. Not less than thirty (30) days before the redemption date the Trustee shall withdraw from the Subordinated Debt Service Fund and from the Subordinated Redemption Account and set aside in separate accounts the respective amounts required for paying the Debt Service Charges on the Subordinated Bonds or portions of Subordinated Bonds so called for redemption, and shall pay from the Subordinated Redemption Account all expenses in connection with such redemption.

(c) Moneys in the Redemption Account and the Subordinated Redemption Account shall be allocated by the Trustee in each Fiscal Year for the payment of Bonds and Subordinated Bonds, respectively, then Outstanding, either by purchase or redemption, provided, however, that if the respective Secured Bonds shall not then be subject to redemption and if the Trustee shall at any time be unable to exhaust the moneys applicable to the respective Secured Bonds in the purchase of such Secured Bonds at not more than par and accrued interest to the date of such purchase plus the premium, if any, payable thereon if called for redemption, such moneys or the balance of such moneys, as the case may be, shall be retained in the Redemption Account or the Subordinated Redemption Account, as appropriate, and, as soon as it is feasible, applied to the payment or redemption of any Secured Bonds secured by such Account. (Section 507)

Reserve Maintenance Fund. Moneys held for the credit of the Reserve Maintenance Fund shall be held for the following purposes, as directed by the Authority:

- (a) to pay all costs incurred in connection with Reserve Maintenance Fund Projects;
- (b) to pay Costs of Turnpike Projects, provided that such payment is necessary to prevent a loss of Revenues;
- (c) to pay for premiums for insurance required under the General Resolution;
- (d) to replenish the Debt Service Reserve Fund to the extent that there are insufficient moneys in the General Reserve Fund to replenish the Debt Service Reserve Fund, provided that the amount to be withdrawn is not needed for any other purpose for which the Reserve Maintenance Fund was created during the ensuing 12 months; and
- (e) to pay for an Emergency, provided that moneys in the Revenue Fund and in the General Reserve Fund are not sufficient to pay for the costs resulting from the Emergency. (Section 508)

General Reserve Fund. (a) On or before the 20th day of each month, beginning June 20, 1991, the Authority shall cause the Fiduciary holding the General Reserve Fund to allocate or transfer the amount transferred from the Revenue Fund to the General Reserve Fund by the close of business on the 15th day of such month as provided in the General Resolution. The respective allocations and transfers shall be set forth by the Authority in a Certificate to such Fiduciary and shall occur in the following order:

- (i) to the Trustee for credit to the Interest Account to make up any deficiency therein following the deposit made under the General Resolution;
- (ii) to the Trustee for credit to the Principal Account to make up any deficiency therein following the deposit made under the General Resolution;
- (iii) to the Trustee for credit to the Debt Service Reserve Fund to make up any deficiency therein following the deposit made under the General Resolution;

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- (iv) to the Trustee for credit to the Subordinated Interest Account, such amount as is directed in such Certificate, or if there is no such direction, such amount as, together with any other funds then in said Subordinated Interest Account, shall be equal to the amount required to pay the interest which will become payable on the next following Payment Date on all Outstanding Subordinated Bonds;
 - (v) to the Trustee for credit to the Subordinated Principal Account, such amount as is directed in such Certificate, or if there is no such direction, such amount as, together with any other funds then in the Subordinated Principal Account, shall be required to pay the principal of all Outstanding Subordinated Bonds which will become payable on the next following Principal Payment Date;
 - (vi) to the Trustee for credit to the Subordinated Debt Service Reserve Fund, such amount as is directed in such Certificate, or if there is no such direction, such amount as may be required to make the amount then credited to the Subordinated Debt Service Reserve Fund equal to the Debt Service Reserve Requirement applicable to all Outstanding Subordinated Bonds, as such amount may be modified from time to time in accordance with any applicable Supplemental Resolution authorizing the issuance of Subordinated Bonds;
 - (vii) to the credit of the Insurance Account, the amount, if any, which is directed in such Certificate, for application or transfer as shall be directed by the Authority pursuant to (b) below;
 - (viii) to the credit of the Improvement Account, the amount, if any, which is directed in such Certificate; and
 - (ix) to the credit of the Department of Transportation Provision Account, the amount, if any, which is directed in such Certificate;
 - (x) to the credit of the Interchange Account, the amount, if any, which is directed in such Certificate; and
 - (xi) the balance, if any, to the credit of the Improvement Account.
- (b) Moneys held for the credit of the Insurance Account shall be disbursed, at the direction of the Authority, for the purposes of paying any and all claims against the Authority or the repair or replacement of any damaged or destroyed facilities or property of the Turnpike which has been self-insured pursuant to the provisions of the General Resolution.
- (c) Subject to the covenant in the General Resolution, moneys in the Department of Transportation Provision Account shall be transferred, at the direction of the Authority, (i) to a trustee or agent pursuant to Section 1974(6) of the Enabling Act to secure or to be applied to the payment of obligations issued pursuant to Sections 1968(2-A) and 1968(3) of the Enabling Act, (ii) to the Department of Transportation pursuant to Section 1961(2) of the Enabling Act, (iii) to the Trustee for credit to replenish the Debt Service Reserve Fund or (iv) to another Account within the General Reserve Fund.
- (d) Moneys in the Interchange Account shall be transferred, at the direction of the Authority, to the Department of Transportation as a proper payment in accordance with Section 1974(3) of the Enabling Act, to the Trustee for credit to replenish the Debt Service Reserve Fund or to another Account within the General Reserve Fund.
- (e) Moneys held for the credit of the Improvement Account shall be disbursed, at the direction of the Authority, for the following purposes:
- (i) to pay all costs incurred in connection with Reserve Maintenance Fund Projects;
 - (ii) to pay Costs of Turnpike Projects;
 - (iii) to pay for an Emergency, provided that moneys held for the credit of the Revenue Fund are insufficient to pay for the costs resulting from the Emergency;

- (iv) to the Trustee for credit to replenish the Debt Service Reserve Fund, as directed by the Authority;
- (v) to another Account within the General Reserve Fund;
- (vi) to the Trustee for credit to the Rebate Fund, as directed by the Authority; and
- (vii) to pay for any other lawful corporate purpose of the Authority as authorized in the Enabling Act, provided that (A) there are no deficiencies in any other Fund or Account, (B) there is no Event of Default which has occurred and is continuing and (C) the Net Revenues during the Fiscal Year immediately preceding the Fiscal Year in which such payment is made were at least equal to two hundred percent (200%) of the Debt Service on Outstanding Bonds for such Fiscal Year and provided further that the Authority may create one or more subaccounts within the Improvement Account, and provide for the deposit of certain funds held in the Improvement Account to such subaccounts, to be applied to future Reserve Maintenance Fund Projects or Costs of Turnpike Projects expected to arise within five years of such deposit. The amount of deposits for such future Reserve Maintenance Fund Projects shall be certified by the Consulting Engineers as set forth in the General Resolution. (Section 509)

Rebate Fund. Upon the issuance, sale and delivery of any Series of Secured Bonds subject to the Rebate Fund Requirement, the Trustee shall establish a separate account within the Rebate Fund for such Series. Funds on deposit in the Rebate Fund shall be applied as set forth in the applicable Supplemental Resolution. Unless otherwise specified in the applicable Supplemental Resolution, interest or other income derived from the investment or deposit of moneys in the Rebate Fund shall be transferred to the Revenue Fund. (Section 510)

Deposits and Disbursements. All Revenues and other moneys deposited in any Fund or Account may be placed in a demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. All moneys held by any Fiduciary may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed.

Except as otherwise provided in the General Resolution, (i) all payments from any Fund or Account shall be made by check (or other manner of transaction acceptable to the Authority and the Fiduciary) signed by an Authorized Official and (ii) all transfers from one Fund or Account to another Fund or Account shall be made by the Fiduciary upon receiving a Certificate from the Authority setting forth the amount to be transferred and the directions required for the transfer. As long as any Secured Bonds are Outstanding, the Authority shall maintain Disbursement Records with respect to each payment and transfer which will be available for inspection during the ordinary business hours of the Authority, upon reasonable notice, by any Fiduciary, the Consulting Engineers, any Accountant engaged to audit the financial statements or reports of the Authority and any Bondholder.

Any Certificate received by any Fiduciary from the Authority as required in the General Resolution may be relied upon by and shall be retained in the possession of the Fiduciary. (Section 511)

Moneys Held in Trust. Subject to the terms and conditions set forth in the General Resolution, moneys credited to the Debt Service Fund and the Debt Service Reserve Fund shall be held in trust and disbursed by the Trustee for (a) the payment of interest upon the Bonds issued under the General Resolution as such interest falls due or (b) the payment of the principal of such Bonds as such principal payments become payable or (c) the payment of the purchase or Redemption Price of such Bonds before maturity.

Subject to the terms and conditions set forth in the General Resolution, moneys credited to the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund shall be held in trust and disbursed by the Trustee for (a) the payment of interest upon the Subordinated Bonds issued under the General Resolution as such interest falls due or (b) the payment of the principal of such Bonds as such principal payments become payable or (c) the payment of the purchase or Redemption Price of such Bonds before maturity.

Moneys in the Capital Fund, the Revenue Fund, the Reserve Maintenance Fund and the General Reserve Fund shall be held in trust and applied as provided in the General Resolution with respect to each Fund, or Account

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therein, and, except for moneys in the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund, pending such application, shall be subject to the Pledge in favor of the Holders of Outstanding Bonds and for the security of the Holders of Bonds until paid out or transferred as provided in the General Resolution. Moneys in the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund, pending such application, shall be subject to the Subordinated Pledge in favor of the Holders of Outstanding Subordinated Bonds and for the security of the Holders of Subordinated Bonds until paid out or transferred as provided in the General Resolution. (Section 512)

Unclaimed Moneys in the Debt Service Funds. All moneys which the Trustee shall have withdrawn from the Debt Service Fund or the Subordinated Debt Service Fund or shall have received from any other source and set aside for the purpose of making any payments on account of principal of any Secured Bonds, either at the maturity thereof or upon call for redemption, or for the purpose of paying any interest on any Secured Bonds, shall be held in trust for the respective Holders of such Secured Bonds. But any moneys which shall be set aside or deposited by the Trustee and which shall remain unclaimed by the Holders of the Secured Bonds for the period of five years after the date on which such Secured Bonds or such interest shall have become payable shall upon request in writing be paid to the Authority or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the Holders of such Secured Bonds or other persons entitled to such payment by virtue of having been Holders of such Secured Bonds shall look only to the Authority or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys. (Section 513)

Depositories and Investment of Funds

Depositories of Moneys and Securities for Deposits. All moneys received by the Authority under the provisions of the General Resolution shall be deposited with the Trustee, or one or more Depositories to be designated by the Authority with the approval of the Trustee (which approval shall not be unreasonably withheld). All moneys deposited under the provisions of the General Resolution with the Trustee or any other Depository shall be held in trust and applied only in accordance with the provisions of the General Resolution, and shall not be subject to lien or attachment by any creditor of the Authority.

All moneys deposited with the Trustee or any other Depository under the General Resolution shall be continuously secured, for the benefit of the Authority and the Holders of the Secured Bonds, either (a) by depositing with a bank or trust company approved by the Trustee, and the Authority as custodian, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) as to all or any part of such deposit, by depositing with the Trustee, or with the Treasurer of the Authority in the case of moneys deposited or remaining on deposit with the Trustee, the indemnifying bond or bonds of a surety company or companies qualified as surety for United States Government deposits and qualified to transact business in the state in which such Depository is located in a penal sum not less than the amount of moneys so deposited or such part thereof, such bond or bonds to be approved in writing by the Authority, or (c) in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Paying Agent to give security for the deposit of any moneys with it for the payment of the principal of or the interest on any Secured Bonds, or for the Trustee to give security for any moneys which shall be represented by obligations purchased under the provisions of the General Resolution as an investment of such moneys.

All moneys deposited with each Fiduciary shall be credited to the particular Fund, Account or Subaccount to which such moneys belong. (Section 601)

Investment of Funds. Moneys on deposit to the credit of the Debt Service Fund, the Subordinated Debt Service Fund and the Rebate Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee, as directed by an Authorized Official, in Government Obligations which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates, as estimated by the Authority, when moneys held for the credit of such fund will be required for the purposes intended.

Moneys on deposit to the credit of the Debt Service Reserve Fund and the Subordinated Debt Service Reserve Fund shall be continuously invested and reinvested by the Trustee, as directed by an Authorized Official, in

Government Obligations which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than seven years after the date of such investment.

Moneys on deposit in the Revenue Fund, the Capital Fund, the Reserve Maintenance Fund, and the General Reserve Fund shall be continuously invested and reinvested by the Depositary holding such Fund in Investment Securities as directed by an Authorized Official.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Funds and Accounts, other than the Capital Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund shall be paid into the Revenue Fund on the last Business Day of each month. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Capital Fund, the Debt Service Fund and the Subordinated Debt Service Fund shall be retained in the Fund in which such earnings accrued. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Debt Service Fund shall be paid on the last Business Day of each month, on a pro rata basis based on the required deposits to each Series Subaccount therein, first to the Interest Account of the Debt Service Fund and second to the Principal Account of the Debt Service Fund. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and any other investment earnings on the Subordinated Debt Service Fund shall be paid on the last Business Day of each month, on a pro rata basis based on the required deposits to each Series Subaccount therein, first to the Interest Account of the Subordinated Debt Service Fund and second to the Principal Account of the Subordinated Debt Service Fund. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Debt Service Reserve Fund shall be paid into the Capital Fund and credited to the related Project Account until the presentation to the Trustee of a Certificate stating the date of completion pursuant to the General Resolution and thereafter shall be paid into the Debt Service Fund, in each case on the last Business Day of each month. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Subordinated Debt Service Reserve Fund shall be credited as provided in the applicable Supplemental Resolution.

The Fiduciary shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary to do in order to provide moneys to meet any payment or transfer from such Fund or Account. Neither the Fiduciary nor the Authority shall be liable or responsible for any loss resulting from any such investment.

Moneys and securities credited to any Fund or Account may be commingled with moneys and securities credited to other Funds or Accounts for the purposes of establishing checking or other bank accounts for purposes of investing funds or otherwise; provided, however, the Trustee and the Authority shall at all times maintain or cause to be maintained accurate books and records reflecting the amounts credited to the respective Funds and Accounts held by each of them. All withdrawals from any commingled moneys or securities shall be charged against the proper Fund or Account and no moneys shall be withdrawn from commingled moneys if there is not on credit to the Fund or Account to be charged sufficient funds to cover such withdrawal. (Section 602)

Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund or Account established under the provisions of the General Resolution shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from the liquidation of such investment shall be charged to such Fund or Account. Except as is provided below, the Investment Securities credited to any Fund or Account shall be valued on a cost of purchase basis.

In computing the amount in the Debt Service Reserve Fund or the Subordinated Debt Service Reserve Fund for any purpose provided in the General Resolution, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations; provided, however, such obligations shall be valued at market, as provided in any applicable Certificate as to Tax Matters. As used in the General Resolution, the term "amortized cost", when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the

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amount thus calculated by the number of days having passed since such purchase; and (i) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (ii) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price. Any deficiency resulting from a decrease in the valuation of investments held in the Debt Service Reserve Fund or the Subordinated Debt Service Reserve Fund may be disregarded for purposes of calculating deposits required pursuant to the General Resolution, provided that the amount on deposit in the Debt Service Reserve Fund and in the Subordinated Debt Service Reserve Fund is at least 95% of the respective Debt Service Reserve Fund Requirement. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be made annually on July 1 and at such other times as the Authority shall determine or as may be required by the General Resolution.

Except as otherwise provided in the General Resolution, the Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Official so to do. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by the Trustee, the Trustee shall sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Official necessary to provide sufficient moneys for such payment or transfer; provided, however, that if the Authority fails to provide such designation promptly after request thereof by the Trustee, the Trustee may in its discretion select the obligation or obligations to be sold or presented for redemption. The Trustee shall not be liable or responsible for any loss resulting from the making of any such investment or the sale or redemption of any obligation in the manner provided above. (Section 603)

Credit Facilities. In connection with the issuance of any Series of Secured Bonds, the Authority may obtain or cause to be obtained one or more Credit Facilities providing for payment of all or a portion of the principal or Redemption Price of or interest due or to become due on such Bonds, providing for the purchase of such Secured Bonds by the provider of such Credit Facility or providing funds for the purchase of such Bonds by the Authority. In connection therewith the Authority may enter into agreements with the provider of such Credit Facility providing for, among other things: (i) the payment of fees and expenses to such provider for the issuance of such Credit Facility; (ii) the terms and conditions of such Credit Facility and the Series of Secured Bonds affected thereby, including without limitation any subrogation rights of the provider; and (iii) the security, if any, to be provided for such Credit Facility.

The Authority may secure such Credit Facility by an agreement providing for the purchase of the Series of Secured Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Authority in the applicable Supplemental Resolution. The Authority may also in an agreement with the provider of such Credit Facility agree to reimburse directly such provider for the Reimbursement Obligation. Any unpaid Reimbursement Obligation shall be deemed to be an Outstanding Secured Bond of the Series secured by the Credit Facility for purposes of the General Resolution to the extent that such Reimbursement Obligation resulted from a payment by the Authority of principal, whether at maturity or upon acceleration or redemption. The portion of any Reimbursement Obligation which represents an obligation to reimburse for the payment of principal of or interest on (i) Bonds shall be secured by the Pledge or (ii) Subordinated Bonds shall be secured by the Subordinated Pledge. Any such Credit Facility shall be for the benefit of and secure such Series of Secured Bonds or portion thereof as specified in the applicable Supplemental Resolution. The rights of the provider of a Credit Facility shall be subordinate to or on a parity with the rights of the holders of any Bonds. (Section 207)

Indebtedness Covenants

Payment of Debt Service Charges. The Authority covenants that it will promptly pay the Debt Service Charges on every Secured Bond at the places, on the dates and in the manner provided in the General Resolution and in said Secured Bond, according to the true intent and meaning thereof. Except as otherwise provided in the General Resolution, the Debt Service Charges on the Bonds are payable solely from the Bond Pledged Collateral and the Debt Service Charges on the Subordinated Bonds are payable solely from the Subordinated Bond Pledged Collateral. Nothing in the Secured Bonds or in the General Resolution shall be construed (a) as obligating the State or any political subdivision thereof to pay the Secured Bonds or the interest and any premium thereon except from the Pledged Collateral or (b) as pledging the faith and credit or any taxing power of the State or of any such political subdivision.

The Authority shall not extend or assent to the extension of the maturity of any Secured Bond or any scheduled payment of interest, and if the maturity of any Secured Bond or any scheduled payment of interest shall be

extended, such Secured Bond or payment of interest shall not be entitled, in case of any default under the General Resolution, to the benefit of the General Resolution or to payment out of Pledged Collateral (except moneys held in trust for (a) the redemption of such Secured Bonds, as provided in the General Resolution, or (b) the payment or redemption of such Secured Bond, and any accrued interest thereon, pursuant to the General Resolution) until the prior payment of the principal of all Secured Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Secured Bonds as shall not be represented by such extended payment of interest; provided, however, nothing in the General Resolution shall be construed to entitle the Holders of Subordinated Bonds to receive any payment of Debt Service Charges, whether or not such payment is in default, from any source other than Subordinated Bond Pledged Collateral. Nothing in the General Resolution shall be deemed to limit the right of the Authority to issue Additional Bonds for purposes of refunding Outstanding Bonds or to issue Subordinated Bonds for the purpose of refunding Outstanding Secured Bonds and such issuance of either Additional Bonds or Subordinated Bonds shall not be deemed to constitute an extension of the maturity of or payment of interest on Bonds. (Section 701)

Further Assurance. The Authority covenants that at any and all times the Authority shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the Pledged Collateral or the rights pledged or assigned by the General Resolution, or any property or rights which the Authority may become bound to pledge or assign. (Section 702)

Power to Issue Secured Bonds. The Authority covenants that it is duly authorized under all applicable laws to issue the Secured Bonds and to adopt the General Resolution and to pledge the Pledged Collateral in the manner and to the extent provided in the General Resolution. Except as provided in the General Resolution, the Pledged Collateral is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the Pledge or the Subordinated Pledge, and all corporate or other action on the part of the Authority to that end has been and will be duly and validly taken. The Secured Bonds and the provisions of the General Resolution are and will be valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the General Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the Pledge and the Subordinated Pledge and all the rights of the Bondholders under the General Resolution against all claims and demands. (Section 703)

Indebtedness and Liens. The Authority shall not issue any bonds, notes or other evidences of indebtedness, other than the Secured Bonds, which are payable from the Pledged Collateral or secured by the Pledge or the Subordinated Pledge, exclusive of the amounts held pursuant to the General Resolution and, except for the Pledge and the Subordinated Pledge and the fees and expenses of the Trustee under the General Resolution, shall not create or cause to be created any lien or charge on the Pledged Collateral.

Notwithstanding any other provision in the General Resolution, the Authority may authorize and issue pursuant to a separate resolution unrelated to the General Resolution one or more series of Unsecured Bonds which are payable solely from, and secured by a pledge or dedication of all or part of, the Non-Turnpike Revenues or other moneys and securities which are not a part of the Pledged Collateral or which are not otherwise held in trust by the Trustee for the payment or redemption of the Secured Bonds. (Section 704)

Tax Covenants. The Authority shall take, or require to be taken, such action as may from time to time be required to assure the continued exclusion from the federal gross income of Holders of any Series of Secured Bonds which are Tax Exempt Obligations, including, without limitation, the preparation and filing of any statements required to be filed by the Authority in order to establish and maintain such tax exclusion and exemption. In addition, the Authority shall not take, or permit to be taken on its behalf, any action which would adversely affect the exclusion from federal gross income of the interest on any Series of Secured Bonds which are Tax Exempt Obligations.

The Authority shall not permit the investment or application of the proceeds of any Series of Secured Bonds which are Tax Exempt Obligations, including any funds considered proceeds within the meaning of section 148 of the Code, to be used to acquire any investment property the acquisition of which would cause such Secured Bonds to be "arbitrage bonds" within the meaning of said section 148. (Section 705)

No Impairment of Bondholders' Rights under Resolution. The Authority covenants and agrees that none of the Revenues will be used for any purpose other than as provided in the General Resolution and no contract or contracts

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will be entered into or any other action taken by which the rights of the Trustee or of the Bondholders might be impaired or diminished. The Authority further covenants that it will, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the General Resolution. (Section 706)

Operation and Maintenance Covenants.

Operation and Maintenance of the Turnpike. So long as any Secured Bonds are Outstanding, the Authority covenants as follows:

The Authority has and will have good right and lawful power to construct, reconstruct, improve, maintain, operate and repair the Turnpike and to fix and collect concessions, charges, fees, fares, receipts, rents, and tolls for its use, all as provided in the Enabling Act as amended to the date of adoption of the General Resolution.

The Authority shall at all times operate or cause to be operated the Turnpike properly and in a sound and economical manner and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Turnpike may be properly and advantageously conducted.

The Authority will establish and enforce reasonable rules and regulations governing the use of the Turnpike and the operation thereof, that it will observe and perform all of the terms and conditions contained in the Enabling Act, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Turnpike.

The Authority shall not acquire, construct, reconstruct, operate or maintain any road or highway as a part of the Turnpike which is not a part of the Turnpike as of the effective date of the General Resolution if such road or highway is in excess of five miles in length and the Authority is not authorized under the laws of the State, including without limitation the Enabling Act, to charge a toll or other fee which will produce Revenues in amounts which will substantially pay for the operation and maintenance of such road or highway and for the cost of its acquisition, whether purchased with moneys held in any Fund or with moneys received from any borrowing by the Authority, unless the Authority furnishes the Trustee with a Certificate signed by an Authorized Official, based upon a Consultant's Report, stating that, assuming such acquisition, construction, reconstruction, operation or maintenance and assuming that the tolls then in effect for the Turnpike would not be increased, the Net Revenues would reasonably be expected to be an amount at least equal to the Net Revenue Requirement for each Fiscal Year during the period beginning with the Fiscal Year in which such acquisition, construction, reconstruction, operation or maintenance first occurred and ending with the fifth Fiscal Year thereafter; provided, however, the Authority upon a unanimous vote of its members may authorize from time to time the acquisition, construction, operation, or maintenance of any such road or highway as long as there is no Event of Default which has occurred and is continuing under the General Resolution and the Authority is performing and will continue to perform its other agreements and obligations under the General Resolution and is, and, based upon a Consultant's Report, reasonably expects to be, in compliance with the other covenants, conditions and terms contained in the General Resolution for the current Fiscal Year and for each of the following five Fiscal Years.

Notwithstanding any provision contained in the General Resolution, no transfer shall be made to the Department of Transportation from the Department of Transportation Provision Account which in the aggregate during any Fiscal Year (other than the Fiscal Year ending December 31, 1991) exceeds the maximum amount permitted to be transferred pursuant to Title 23, Part 1, Chapter 24, Section 1974(4), Revised Maine Statutes, as in effect on the first day of the Fiscal Year ending December 31, 1991. (Section 801)

Toll Schedules and Revisions. The Authority covenants that tolls will be classified in a reasonable way to cover all traffic, so that the tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any Person included in the traffic, that no reduced rate of toll will be allowed within any such class except through the use of commuter passes or other privileges based upon frequency or volume, and that, except as provided in the paragraph below or as may be required from time to time on a temporary basis for the safe and efficient operation of the Turnpike, no free vehicular passage will be permitted over the Turnpike, or any portion thereof, except to members, officers and employees of the Authority and of the Department of Transportation

and the state police of the State while in the discharge of their official duties and except to employees of independent contractors while in the performance of their duties for which the Authority has contracted and to emergency vehicles authorized by the Authority while performing emergency services on the Turnpike; provided, however, that the Turnpike may be used at any and all times by the armed forces of the United States, the State and any of their allies for defense purposes or preparations therefor free of all tolls and charges, but any structural damage to the Turnpike created by such free use, ordinary deterioration or depreciation excepted, shall be compensated for at cost of repair or replacement.

The Authority covenants that it will continue in effect the present schedule of tolls for traffic over the Turnpike until such schedule shall be revised as hereinafter provided and that, except as hereinafter provided in the Section, it will not authorize or permit a reduction or reclassification in toll rates or any modification (except for the conversion of the north end of the Turnpike to a closed barrier system) to the toll collection system in effect as of the effective date of the General Resolution unless the Authorized Official furnishes the Trustee with a Certificate, based upon a Consultant's Report, stating that it is reasonably expected that the Net Revenue Requirement will be satisfied in the current Fiscal Year and in each of the five Fiscal Years following the rate reduction or reclassification or modification of the toll collection system. Subject to the foregoing provisions of this Section, from time to time and as often as it shall appear necessary the Authority will request the Consulting Engineers and the Traffic Consultants to furnish a Consultant's Report for the purpose of making recommendations as to a revised schedule of tolls and will inform the Trustee of such request. The Authority covenants that it will revise such schedule and such tolls as may be necessary or proper, in order that the Revenues will at all times be sufficient:

- (i) to provide funds for the payment of Operating Expenses; and
- (ii) to provide Net Revenues that are equal to or greater than the Net Revenue Requirement in any Fiscal Year;

provided, however, that nothing herein shall be deemed to limit the Authority's right in its discretion to revise such schedule and such tolls in a reasonable manner in order to provide additional Revenues for making deposits to the General Reserve Fund.

The deposit to the credit of the Debt Service Fund in any Fiscal Year of an amount in excess of the amounts provided for above for such Fiscal Year shall not be taken into account in adjusting the schedule of tolls for any subsequent Fiscal Year or Fiscal Years. Any deficiency in the Required Debt Service Deposit or the Required Reserve Maintenance Deposit, or the amount of any Required Debt Service Reserve Deposit, in any Fiscal Year shall, as promptly as may be practicable, be added to the amounts provided for above for the remaining Fiscal Years in adjusting such schedule of tolls, provided that the amount so to be added to meet the requirements of clauses (i) and (ii) above in each of such subsequent Fiscal Years may be based upon recommendations of the Consulting Engineers and the Traffic Consultant.

If the Net Revenues for any Fiscal Year are less than the Net Revenue Requirement or the Required Reserve Maintenance Deposit in any Fiscal Year shall be less than the amounts recommended by the Consulting Engineers under the section entitled "Duties of Consulting Engineers" for such Fiscal Year, the Authority covenants that it will, before the 15th day of February of the following Fiscal Year, request the Consulting Engineers and the Traffic Consultant to prepare a Consultant's Report for the purpose of making recommendations as to a revised schedule of tolls in order that the Net Revenues will be reasonably expected to be at least equal to the Net Revenue Requirement for the next following Fiscal Year, and copies of such request and of the recommendations of the Consulting Engineers shall be filed with the Trustee.

Anything in the General Resolution to the contrary notwithstanding, if the Authority shall comply with all recommendations contained in such Consultant's Report in respect of tolls, it will not constitute an Event of Default under the provisions of the General Resolution if the total amounts credited to the Debt Service Fund or the Reserve Maintenance Fund in any Fiscal Year shall be less than the Required Debt Service Deposits or the Required Reserve Maintenance Deposits, respectively, for such Fiscal Year, or if the total amount credited to the Debt Service Reserve Fund at the close of any Fiscal Year shall result in the need to make a Required Debt Service Reserve Deposit in order to eliminate a deficiency therein. In the event of any such deficiency or the need for any such Required Debt Service Reserve Deposit, the Trustee or the Holders of not less than fifty per cent (50%) in principal amount of the Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, may, however, and the Trustee shall, upon the request of the Holders of not less than twenty-five per cent (25%) in principal amount of the Bonds then

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Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, and upon being indemnified to its satisfaction, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the Authority to revise the schedule of tolls. The Authority covenants that it will adopt and charge tolls in compliance with any final order, decree or judgment entered in any such proceeding, or any modification thereof.

In the event that the Authority shall request the Consulting Engineers and the Traffic Consultant to prepare a Consultant's Report as provided in third paragraph of this Section above and the Consulting Engineers and the Traffic Consultant, after such request by the Authority, shall fail to file with the Authority a written Consultant's Report within ninety (90) days after such request, the Authority shall immediately designate and appoint other independent engineers or engineering firms or corporations with the qualifications of Consulting Engineers and Traffic Consultant to prepare such written Consultant's Report on or before the 1st day of June following. Such written Consultant's Report shall for all purposes be considered to be the equivalent of and substitute for the written Consultant's Report of the Consulting Engineers and Traffic Consultant referred to in in third paragraph of this Section above.

(f) The Authority covenants that it will adopt and institute the revised toll schedule within one hundred eighty (180) days after receipt of the Consultant's Report referred to in either in third paragraph of this Section or the preceding paragraph above. The Authority further covenants that immediately upon the adoption of any revised schedule of tolls certified copies thereof will be filed with the Trustee. (Section 802)

Annual Budgets and Certification of Required Deposits. The Authority covenants that on or before the 20th day of October in each Fiscal Year it will adopt a preliminary budget of Operating Expenses for the next following Fiscal Year. Copies of each such preliminary budget shall be filed with the Trustee and furnished to the Consulting Engineers. The preliminary budget shall also be accompanied by a written certification approved by the Authority which will determine, on a preliminary basis (i) the Required Debt Service Deposit for such Fiscal Year, which shall be in an amount not less than the Debt Service Charges on all Secured Bonds which are reasonably expected to be Outstanding during such Fiscal Year, (ii) the Required Reserve Maintenance Deposit for such Fiscal Year, which shall be an amount not less than the amount recommended by the Consulting Engineers under the section entitled "Duties of Consulting Engineers" to be deposited into the Reserve Maintenance Fund, and (iii) any anticipated Required Debt Service Reserve Deposit at the end of the current Fiscal Year. The Authority further covenants that it will prepare each such preliminary budget so that it will be possible to determine from the Annual Budget the estimated Operating Expenses for each month during such Fiscal Year.

(b) The Authority covenants that on or before December 20 of each year it will adopt the final budget of Operating Expenses and approve a certification of the final determination of the Required Debt Service Deposit and the Required Reserve Maintenance Deposit for the next following Fiscal Year and the funding in such Fiscal Year of any Required Debt Service Reserve Deposit which is anticipated at the close of the current Fiscal Year and that the total appropriations will not exceed the total appropriations in the preliminary budget. Copies of the Annual Budget shall be filed with the Trustee and furnished to the Consulting Engineers.

If for any reason the Authority shall not have adopted the Annual Budget before the December 20 of the year immediately preceding the Fiscal Year of such Annual Budget, the preliminary budget for such Fiscal Year, if approved by the Consulting Engineers, or, if there is none so approved, the budget for the preceding Fiscal Year, shall, until the adoption of the Annual Budget, be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article. If for any reason the Authority shall not have approved before December 20 of each year the certification of the final determination of the Required Debt Service Deposit and the Required Reserve Maintenance Deposit for the next following Fiscal Year and the funding in such Fiscal Year of any Required Debt Service Reserve Deposit which is anticipated at the close of the current Fiscal Year the certification of the preliminary determination of such deposits shall be the final determination and deemed amended under the General Resolution to include any amounts of Revenues required to be deposited into the Debt Service Fund, the Debt Service Reserve Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund in next following Fiscal Year under the General Resolution.

The Annual Budget for the Fiscal Year ending December 31, 1991 shall be deemed to be in force under the provisions of the General Resolution.

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, but no such amended or supplemented Annual Budget shall be effective until it shall be approved by the Consulting Engineers; provided, however, that the Authority, without any action required on the part

of the Consulting Engineers, shall approve a supplemental certification in any Supplemental Resolution authorizing the issuance of Additional Bonds in order to amend the determination of the Required Debt Service Deposit to take into account any additional Debt Service Charges on such Additional Bonds which were not taken into account in the original Annual Budget. The Annual Budget as so amended or supplemented shall be treated as the Annual Budget under the provisions of this Article. Copies of any such amended or supplemented Annual Budget shall be filed with the Trustee and furnished to the Consulting Engineers.

The Authority covenants that the Operating Expenses incurred in any Fiscal Year will not exceed the reasonable and necessary amount thereof, and that it will not expend any amount or incur any obligations for maintenance, repair and operation in excess of the amounts provided for Operating Expenses in the Annual Budget, except as provided in the section entitled "Revenue Fund" and except amounts payable from the Reserve Maintenance Fund and the General Reserve Fund. The Authority further covenants that it will not authorize or permit any department of the State to make any expenditures for maintenance, repair or operation of the Turnpike for which such department is to be reimbursed from the Revenues, other than through payments from the General Reserve Fund, in excess of the amount provided therefor in the Annual Budget. Nothing in this Section contained shall limit the amount which the Authority may expend for Operating Expenses in any Fiscal Year provided any amounts expended therefor in excess of the Annual Budget shall be received by the Authority from Non-Turnpike Revenues or some source other than the Revenues and the Authority shall not make any reimbursement therefor from such Revenues.

The Authority further covenants that it will cause any additional reports or audits relating to the Turnpike to be made as required by law and that, as often as may be requested, it will furnish to the Trustee and the Holder of any Secured Bond such other information concerning the Turnpike or the operation thereof as any of them may reasonably request. The cost of such reports and audits shall be treated as a part of the cost of operation of the Turnpike. (Section 803)

Financial Records. The Authority covenants that it will keep an accurate record of the Revenues collected, of the number and class of vehicles using the Turnpike, and of the application of the Revenues. Such records shall be open to the inspection of the Trustee and Bondholders, upon reasonable notice, during ordinary business hours of the Authority.

The Authority further covenants that at least once each Fiscal Year it will cause to be filed with the Trustee and furnished to the Consulting Engineers and all Bondholders who shall have filed their names and addresses with the Treasurer of the Authority for such purpose, copies of any revised toll schedule during the preceding Fiscal Year and a report setting forth in respect of the preceding Fiscal Year:

- (a) an income and expense statement for the Turnpike, which shows, among other items, Revenues, Operating Expenses, Debt Service and other deposits;
- (b) the number of vehicles in each class using the Turnpike;
- (c) all deposits to the credit of and withdrawals from each Fund and Account created under the provisions of the General Resolution;
- (d) the details of all Bonds issued, paid, purchased or redeemed;
- (e) a balance sheet as of the end of such preceding Fiscal Year;
- (f) the amounts on deposit at the end of such preceding Fiscal Year to the credit of each such Fund and Account, showing the respective amounts on deposit to the credit of each such Fund and Account in each Depositary and any security held therefor, and showing the details of any investments thereof; and
- (g) the amounts of the proceeds received from any sales of property pursuant to the provisions of the General Resolution.

The Authority further covenants that in or before the month of January in each year it will employ an Accountant to audit its books and accounts relating to the Turnpike for the next preceding Fiscal Year. Within 120 days after each Fiscal Year it will cause to be filed with or furnished to the same persons receiving the annual report described above the audited financial statements certified by an Accountant. Each such audit report shall set forth in

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respect of the preceding Fiscal Year the same matters as are required for the annual report in the above paragraph, and also the findings of the Accountant whether the moneys received by the Authority under the provisions of the General Resolution have been applied in accordance with the provisions of the General Resolution. Such annual reports and audit reports shall be open to the inspection of the Bondholders and their agents and representatives upon reasonable notice during ordinary business hours of the Authority. (Section 804)

Consulting Engineers and Traffic Consultant. The Authority covenants that it will, for the purpose of performing and carrying out the duties imposed on the Consulting Engineers by the General Resolution, employ an independent engineer or engineering firm or corporation having a nationwide and favorable reputation for skill and experience in such work. Any Consulting Engineer employed by the Authority may be replaced by the Authority upon giving notice to the Trustee of thirty days, provided that the new engineer or firm or corporation shall be approved by a resolution adopted by the Authority and certified in writing by two Authorized Officials, including either the Chairman or Vice Chairman, to the Trustee that such engineer or firm or corporation qualifies under the criteria set forth under the General Resolution.

The Authority shall employ a Traffic Consultant, or cause the Consulting Engineers to employ a Traffic Consultant approved by the Authority, to perform any of the duties of the Consulting Engineers under the General Resolution which would ordinarily be performed by a Traffic Consultant. (Section 805)

Duties of Consulting Engineers. The Authority covenants that it will cause the Consulting Engineers employed by it under the provisions of the General Resolution, among such other duties as may be imposed upon them by the Authority or by the General Resolution, to make an inspection at least once a year of the Turnpike, and, on or before the first day of October of each year, to submit to the Authority a report setting forth (a) their findings whether the Turnpike has been maintained in good repair, working order and condition, (b) their advice and recommendations as to the proper maintenance, repair and operation of the Turnpike during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes, (c) their advice and recommendations as to the insurance to be carried under the provisions of the General Resolution, and (d) their recommendations as to the amount that should be deposited during the ensuing Fiscal Year to the credit of the Reserve Maintenance Fund for the purposes set forth in the General Resolution. Copies of such reports shall be filed with the Trustee and the Authority.

To the extent the Consulting Engineers deem it reasonably necessary, the Consulting Engineers may rely upon certifications and statements made by the Traffic Consultant and any other independent consultant approved by the Authority they deem necessary in the performance of their duties under the General Resolution. (Section 806)

Maintenance of Insurance. The Authority shall at all times maintain, to the extent reasonably obtainable, the following kinds and the following amounts of insurance, with such variations as shall reasonably be required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductions as are ordinarily required:

- (a) Multi-risk insurance on the facilities of the Turnpike which are of an insurable nature and of the character usually insured by an agency, authority or other governmental body or unit responsible for operating and maintaining a turnpike or other transportation system similar in scope and character as the Turnpike, covering direct physical loss or damage thereto from causes customarily insured against, in such amounts as the Consulting Engineers certify to be necessary or advisable to protect against such loss or damage and to protect the interests of the Authority and the Bondholders and which are in excess of any unobligated amounts which are available in the Insurance Account or elsewhere for such loss;
- (b) Use and occupancy insurance covering loss of Revenues by reason of necessary interruption, total or partial, in the use of facilities of the Turnpike, due to loss or damage to the roadway, including bridges and any such facility on which the Authority maintains such multi-risk insurance, in such amounts as the Consulting Engineers certify will provide income during the period of interruption equal to the amount of the loss of Net Revenues, computed on the basis of Net Revenues for the corresponding period during the preceding Fiscal Year, attributable to such loss or damage; provided that such coverage may exclude any amounts resulting from such losses sustained during the first 14 days of any such interruption;

- (c) Public liability insurance covering injuries to persons and property in such amount as the Consulting Engineers certify as adequate to insure the Authority against claims arising out of the construction, maintenance, reconstruction or operation of the facilities of the Turnpike;
- (d) Workers' compensation in the amounts required by law, provided that such obligation may be satisfied by participation in a State program for such purposes or through self-insurance acceptable under State rules and regulations;
- (e) Officer's and director's insurance in such amounts as are customarily carried by an agency, authority or other governmental body or unit responsible for operating and maintaining a turnpike or other transportation system similar in scope and character as the Turnpike;
- (f) During the construction or reconstruction of any portion of the facilities of the Turnpike, such insurance as is customarily carried by others with respect to similar structures used for similar purposes, provided that the Authority shall not be required to maintain any such insurance to the extent that such insurance is carried for the benefit of the Authority by contractors; and
- (g) Any additional or other insurance which the Consulting Engineers certify is necessary or advisable to protect the interests of the Authority and the Bondholders.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Authority; provided, however, that in either event set forth below the Authority may self-insure all or any portion of the foregoing risks by (i) depositing into the Insurance Account such amounts each month as recommended by the Consulting Engineers, as contained in a Consultant's Report (a copy of which shall be filed with the Trustee), or (ii) participating in a self-insurance pool qualified by the State if such participation will not adversely affect any rating on the Outstanding Bonds by the Rating Agencies, or a combination of (i) and (ii):

- (a) in the event commercial insurance for any such risk is not available from any insurance company authorized to do business in the State, or
- (b) in the event such commercial insurance is not economically feasible in the determination of the Consulting Engineers, with respect to the amount of insurance, the risks covered by such insurance or the amount of the premiums required for such insurance. (Section 807)

Insurance Policies and Application of Proceeds. Within the first three (3) months of each Fiscal Year the Authority shall file with the Trustee and shall furnish the Consulting Engineers a schedule of all insurance policies referred to in the General Resolution which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and risks covered thereby. All such insurance policies shall be open to the inspection of the Bondholders and their agents and representatives. The Trustee shall not in any way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

The proceeds of any insurance paid on account of damage or destruction of any portion of the Turnpike, and the proceeds of any use or occupancy insurance, shall be applied as follows:

- (a) If any useful portion of the Turnpike shall be damaged or destroyed, the Authority, as expeditiously as possible, shall continuously and diligently prosecute the reconstruction or replacement thereof. The proceeds of any insurance paid on account of such damage or destruction, other than use and occupancy insurance, shall, to the extent necessary, be applied to the cost of such reconstruction or replacement. The proceeds of any insurance not so applied within 18 months after receipt shall be paid into the Revenue Fund unless there shall have been sooner filed with the Trustee a certificate of an Authorized Official stating the intention of the Authority to apply such proceeds to such reconstruction or replacement.
- (b) If the proceeds of insurance authorized by the General Resolution to be applied to the reconstruction or replacement of any portion of the Turnpike are insufficient for such purpose, the deficiency may be supplied out of moneys in the Reserve Maintenance Fund to the extent, as shown by a Certificate of the Consulting Engineers filed with the Trustee, such moneys not needed to be reserved for the purposes of such

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Fund, subject to the provisions of the General Resolution and provided that such moneys are drawn from the following accounts in the following order: (A) the Improvement Account, (B) the Interchange Account and (C) the Department of Transportation Provision Account.

(c) The proceeds of insurance against physical loss of or damage to any Turnpike Project, or of contractors' performance bonds with respect to any Turnpike Project, received during the period of construction thereof, shall be paid into the separate subaccount established in the Project Account in the Capital Fund for such Turnpike Project.

(d) The proceeds of any use and occupancy insurance shall be paid into the Revenue Fund. (Section 808)

Security for Contracts. The Authority shall require all persons with whom it may contract for construction, in an amount customary in the business of operating and maintaining a turnpike or other highway transportation system similar in scope and character to the Turnpike, to furnish bonds conditioned upon the satisfactory performance of the work contracted for and upon the payment by each contractor and sub-contractor for all labor performed or materials furnished pursuant to such contract; or, in lieu thereof, to deposit with it, to insure completion and performance of the contract and the payment by each contractor and sub-contractor for all labor performed and materials furnished pursuant to such contract, marketable securities satisfactory to the Authority having a market value equal to the amount of such contract.

Each contract shall also provide in substance that the Authority will retain at least 10% of each partial payment thereunder until such payments, including retained amounts, shall aggregate 50% of the total contract amount; that after work under the contract has been substantially completed, the Authority may release retained amounts which in the opinion of the Consulting Engineers are in excess of the amount reasonably required to be retained to secure performance of the remaining work thereunder in a manner satisfactory to the Consulting Engineers; and that final payments on the contract will not be made until completion of the work thereunder to the satisfaction of the Consulting Engineers and the acceptance thereof by the Authority. (Section 809)

Repairs to Turnpike by State. Notwithstanding any other provision of the General Resolution, the Authority may permit the State or any of its agencies, departments or subdivisions, to pay the cost of maintaining, repairing and operating the Turnpike out of funds other than the Revenues. (Section 810)

Encumbrances, Leases and Sale. The Authority covenants that, except as otherwise permitted in the General Resolution, it will not sell, lease or otherwise dispose of or encumber the Turnpike or any part thereof and will not create or permit to be created any charge or lien on the Revenues, the special funds established under the General Resolution or the other moneys and securities described in the General Resolution except as provided in the General Resolution, and that, from the Revenues, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Turnpike or any part thereof or the Revenues; provided, however, that the Authority shall not be required to pay or cause to be discharged, or make provision for, any such lien so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

The Authority may, however, from time to time, sell, mortgage, enter into any capital lease or otherwise dispose of or encumber any property for fair market value if:

(i) in the reasonable judgment of the Authority, the property has become obsolete or worn out or is reasonably expected to become so within one year of the date of such disposition, or is no longer used or useful in the operation of the Turnpike or in the generation of Net Revenues, or is to be or has been replaced by other property; or

(ii) the Consulting Engineers state that the sale, mortgage, lease or other disposition is in accordance with prudent practice for a turnpike or highway system similar in scope and character to the Turnpike; and the Authority certifies (based upon a Consultant's Report prepared by the Consulting Engineers and the Traffic Consultant) that it reasonably expects to satisfy the requirements for issuing Additional Bonds as set forth in the General Resolution after the disposition of such property.

All proceeds from any sale shall be immediately deposited into the Reserve Maintenance Fund.

The Authority may make contracts for the use of any property of the Turnpike consistent with the safe and prudent operation and maintenance of the Turnpike as permitted by the Enabling Act. Any payments to the Authority under or in connection with any lease, contract, license, easement, concession or right in respect of any part of the Turnpike shall constitute Revenues, and the net proceeds of any such sale or concession shall be deposited as received to the credit of the Revenue Fund. (Section 811)

Events of Default and Remedies

Events of Default.

The occurrence of any one or more of the following events shall constitute an Event of Default under the General Resolution:

- (a) a default in the payment of principal or the Tender Option Price of any Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, when and as the same shall become due and payable, whether at maturity, upon redemption, upon the exercise of a Tender Option, or otherwise; or
- (b) a default in the payment of any interest on any Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, when and as such interest shall become due and payable; or
- (c) default by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part or on the part of the Authority in the General Resolution, any Supplemental Resolution or in the Secured Bonds contained, and such default shall continue for a period of sixty days after written notice thereof stating that such notice is a "Notice of Default" to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding; provided that such sixty day period shall be extended to such longer period of time as the Trustee may deem appropriate in the event of defaults which by their nature will require such longer period of time to cure if the Authority shall commence such cure within such sixty day period and pursue the same diligently to completion; or
- (d) if the Authority (i) admits in writing its inability to pay its debts generally as they become due, (ii) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of the whole or any substantial part of the Turnpike, or (v) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Authority or of the whole or any substantial part of the Turnpike. (Section 901)

Acceleration. Upon the happening and continuance of any Event of Default, the Trustee shall give notice of such occurrence to the registered Holders of the Secured Bonds. Upon the happening and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, the Trustee shall, in any such case, unless the principal of all the Secured Bonds then Outstanding shall already have become due and payable, declare the principal of all Secured Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the General Resolution or in any of the Secured Bonds contained to the contrary notwithstanding. The right of the Trustee to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Secured Bonds shall have matured by their terms, all overdue payments of principal and interest upon the Secured Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the Authority under the General Resolution (except the interest accrued since the next preceding interest date on the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Secured Bonds or under the General Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of not less than twenty-five percent (25%) in principal amount of the

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Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, by written notice to the Authority and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted without a direction from the Holders of the Secured Bonds as aforesaid at the time of such request, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding or if no Bonds are Outstanding, Subordinated Bonds Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default and its consequences shall ipso facto be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon. The Trustee shall not be liable for any decision made in good faith as to whether or not to declare all Secured Bonds to be due and payable. (Section 902)

Accounting and Examination of Records After Default. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other Pledged Collateral for such period as shall be stated in such demand. (Section 903)

Application of Revenues and Other Pledged Collateral After Default. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee following a declaration of acceleration under the General Resolution, shall pay over or cause to be paid over to the Trustee (i) forthwith all Pledged Collateral then held by the Authority, or a Depositary in any Fund, Account or Subaccount under the General Resolution and (ii) as promptly as practicable after receipt thereof, all Revenues.

During the continuance of an Event of Default, the Trustee shall apply the Pledged Collateral and the Revenues and the income therefrom which it receives pursuant to the previous paragraph as follows and in the following order:

(a) to the payment of the reasonable and proper fees, charges and expenses (including reasonable attorneys fees) of the Fiduciaries and of any engineer or firm of engineers or accountants or firm of accountants selected by the Trustee pursuant to the General Resolution and to the payment of any fees and expenses required to keep any Credit Facilities in full force and effect;

(b) to the payment of the amounts required for reasonable and necessary Operating Expenses, including reasonable and necessary reserves and working capital therefor, and for the reasonable repair and replacement of the Turnpike necessary to prevent loss of Revenues or to provide for the continued operation of the Turnpike, as certified to the Trustee by an independent engineer or firm of engineers of recognized standing (who may be an engineer or firm of engineers retained by the Authority for other purposes) selected by the Trustee;

(c) to the payment of the interest and principal or Redemption Price then due and payable on the Bonds as follows:

(i) unless the principal of all of the Bonds Outstanding shall be due and payable,

First: To the payment to the persons entitled thereto of all payments of interest which are due and payable in the chronological order of the due dates of such payments of interest, and, if the amount available shall not be sufficient to pay in full all interest payments due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the chronological order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the

payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to persons entitled thereto, without any discrimination or preference;

- (ii) if the principal of all of the Bonds Outstanding shall be due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any payment of interest due and payable over any other payment of interest due and payable, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference;

(d) to the payment of the interest and principal or Redemption Price then due and payable on the Subordinated Bonds, as follows:

- (i) unless the principal of all of the Subordinated Bonds shall be due and payable,

First: To the payment to the persons entitled thereto of all payments of interest which are due and payable in the chronological order of the due dates of such payments of interest, and, if the amount available shall not be sufficient to pay in full all interest payments due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Subordinated Bonds which shall have become due, whether at maturity or by call for redemption, in the chronological order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Subordinated Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

- (ii) if the principal amount of all of the Subordinated Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Subordinated Bonds without preference or priority of principal over interest or of interest over principal, or of any payment of interest over any other payment of interest, or of any Subordinated Bond over any other Subordinated Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Any amounts on deposit in the Subordinated Debt Service Reserve Fund shall not be applied as set forth above to the payment of principal of or interest on Bonds unless there are no Subordinated Bonds Outstanding but, subject to their application as provided in (i) above, shall be applied to the payment of principal and interest on the Subordinated Bonds until all due and unpaid payments of principal and interest have been paid. Any amounts on deposit in the Debt Service Fund and the Debt Service Reserve Fund shall not be applied as set forth above to the payment of the principal of or interest on Bonds unless there are no Bonds Outstanding but, subject to their application as provided in (i) above, shall be applied to the payment of principal and interest on the Bonds until all due and unpaid payments of principal and interest have been paid.

If and when all overdue payments of interest on all Secured Bonds, together with the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the Authority under the General Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Secured Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the General Resolution or the Secured Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all such Revenues then remaining unexpended in the hands of the Trustee (except Revenues deposited or pledged, or required by the terms of the General Resolution to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former position and rights under the General Resolution, and all Revenues shall thereafter be applied as provided therein. No such payment over to the Authority by the Trustee or resumption of the application

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of Revenues as provided in the General Resolution shall extend to or affect any subsequent default thereunder or impair any right consequent thereon. (Section 904)

Proceedings Brought by Trustee. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, if the Trustee shall deem it advisable following the declaration of acceleration pursuant to the General Resolution, may, or in the absence of such declaration and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, shall proceed to protect and enforce its rights and the rights of the Holders of such Secured Bonds under the General Resolution forthwith by a suit or suits in equity or at law, whether by an action for mandamus or a suit for the specific performance of any covenant contained in the General Resolution, or in aid of the execution of any power granted in the General Resolution, 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 the General Resolution.

All rights of action under the General Resolution may be enforced by the Trustee without the possession of any of the Secured Bonds or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

The Holders of a majority in principal amount of the Bonds at the time Outstanding, or if no Bonds are Outstanding, of Subordinated Bonds Outstanding, may direct by instrument in writing 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 may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Holders of Secured Bonds not parties to such direction.

Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the General Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the General Resolution and provided to be exercised by the Trustee upon the occurrence of an Event of Default; and, as a matter of right against the Authority, without notice or demand and without regard to the adequacy of the security for the Secured Bonds, the Trustee shall, to the extent permitted by law, be entitled to the appointment of a receiver of the moneys, securities and funds then held by the Authority in any Fund, Account or Subaccount under the General Resolution and, subject to application of the Revenues, with all such powers as the court or courts making such appointment shall confer; but notwithstanding the appointment of any receiver, the Trustee shall be entitled to retain possession and control of and to collect and receive income from, any moneys, securities and funds deposited or pledged with it under the General Resolution or agreed to be provided to be delivered or pledged with it under the General Resolution. In any suit, action or proceeding by the Trustee, the fees, counsel fees and expenses of the Trustee and the receiver, if any, and all costs and disbursements allowed by the court shall be a first charge on any Revenues.

Regardless of the happening of an Event of Default, the Trustee shall have the power to, but (unless requested in writing by the Holders of a majority in principal amount of the Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, and furnished with reasonable security and indemnity) shall be under no obligation to, institute and maintain such suits and proceedings, including, without limitation, proceedings for declaratory judgment or injunctive or other equitable relief, as it may determine shall be necessary or expedient to prevent any impairment of the security under the General Resolution, any impairment of the ability of the Authority or the Trustee to satisfy any of its agreements or obligations under the General Resolution, or the impairment of any protection provided by the General Resolution of the interests of the Holders of Secured Bonds by any acts which may be unlawful or in violation of the General Resolution, and such suits and proceedings, including, without limitation, proceedings for declaratory judgment or injunctive or other equitable relief, as the Trustee may determine shall be necessary or expedient to preserve or protect its interest and the interests of the Holders of any Secured Bonds. (Section 905)

Restrictions on Action by Holders of Secured Bonds. No Holder of any Secured Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the General Resolution or the execution of any trust under the General Resolution or for any remedy under the General Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the General Resolution, and the Holders of at least twenty-five percent (25%) in principal amount of

the Bonds then Outstanding, or if no Bonds are Outstanding of Subordinated Bonds Outstanding, shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the General Resolution or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request within a reasonable time; it being understood and intended that no one or more Holders of Secured Bonds shall have any right in any manner whatever by their action to affect, disturb or prejudice any pledge created by the General Resolution, or to enforce any right under the General Resolution, except in the manner therein provided, and that all proceedings at law or in equity to enforce any provision of the General Resolution shall be instituted, had and maintained in the manner provided in the General Resolution and for the equal benefit of all Holders of the Outstanding Bonds, in accordance with their rights and interests under the General Resolution and all Holders of Outstanding Subordinated Bonds, in accordance with their rights and interests under the General Resolution.

Nothing in the General Resolution or in the Secured Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Secured Bonds to the respective Holders thereof, or subject to the provisions of the General Resolution, affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of their Secured Bond. (Section 906)

Remedies Not Exclusive. No remedy by the terms of the General Resolution conferred upon or reserved to the Trustee or any Holders of Secured Bonds 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 the General Resolution. The Trustee shall have and possess all the powers necessary and appropriate for the exercise of any functions specifically set forth in the General Resolution or incident to the general representation of the Bondholders in the enforcement and protection of their rights. (Section 907)

Limitation of Rights. With the exception of rights expressly conferred in the General Resolution nothing expressed or mentioned in or to be implied from the General Resolution or the Secured Bonds shall give to any person other than the Fiduciaries and the Holders of the Secured Bonds any legal or equitable right, remedy or claim under or with respect to the General Resolution or any covenants, conditions and provisions contained therein. The General Resolution and all of the covenants, conditions and provisions thereof are for the sole and exclusive benefit of the Fiduciaries and the Holders of the Secured Bonds as therein provided.

All rights and remedies conferred by the General Resolution and any Secured Bond upon any Holder or any Fiduciary shall be their sole and exclusive rights and remedies with respect to the General Resolution and the Secured Bonds issued pursuant to the General Resolution. Neither any Holder nor any Fiduciary shall have any other rights or remedies, whether expressed or implied in the Enabling Act or any other provision of law, with respect to the General Resolution or any Secured Bonds; provided, however, nothing contained in the General Resolution or any Secured Bond shall limit any right or remedy of any Holder or any Fiduciary under any federal or state constitutional provision. (Section 1304)

Waivers of Events of Default. At any time, the Trustee may in its discretion waive any event of default under the General Resolution and its consequences and rescind any declaration of maturity of principal, and shall do so upon the written request of the Holders of at least 66 2/3% in aggregate principal amount of all the Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding; provided, however, that there shall not be waived any event of default with respect to (i) payment of principal or the Tender Option Price of any Bonds Outstanding or, if no Bond are Outstanding, Subordinated Bonds Outstanding, when and as the same shall become due and payable, whether at maturity, upon redemption, upon the exercise of a Tender Option, or otherwise, or (ii) payment of any interest on any Bonds Outstanding, or, if no Bonds are Outstanding, Subordinated Bonds Outstanding, when and as such interest shall become due and payable, or any such declaration in connection therewith rescinded, unless at the time of such waiver or rescission payments of the amounts provided for waiver and automatic rescission in connection with acceleration of maturity have been made or provided for. In case of any such waiver or rescission in any proceeding taken by the Trustee on account of any such event of default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights under the General Resolution respectively; but no such waiver or rescission shall extend to any subsequent or other event of default, or impair any right consequent thereon. (Section 908)

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Intervention by the Trustee. In any judicial proceeding which the Trustee believes has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders. (Section 909)

Concerning Fiduciaries

Trustee: Acceptance of Duties. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the General Resolution by executing the certificate of authentication endorsed upon the Secured Bonds, and, by executing such certificate upon any Secured Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Secured Bond so authenticated, but with respect to all the Secured Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the General Resolution. (Section 1001)

Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding, or if no Bonds are Outstanding, of the Subordinated Bonds then Outstanding, or their attorneys-in-fact duly authorized, excluding any Secured Bonds held by or for the account of the Authority. The Trustee may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the General Resolution with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding, or if no Bonds are Outstanding, Subordinated Bonds Outstanding, excluding any Secured Bonds held by or for the account of the Authority.

The Authority may remove the Trustee at any time by filing with the Trustee an instrument signed by an Authorized Official of the Authority and mailed to the Holders of the Bonds and the Subordinated Bonds then Outstanding not less than 30 days before such removal, and provided that no event of default under the General Resolution has occurred and is continuing at the time such notice is given. (Section 1008)

Appointment of Successor Trustee. In the event a Trustee shall be removed pursuant to the General Resolution, the Authority shall appoint a successor Trustee prior to the removal of the Trustee; otherwise, such written notice shall not have any force or effect. In case at any time the Trustee shall resign or shall otherwise be removed pursuant to the General Resolution 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 its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Holder of a majority in principal amount of the Bonds then Outstanding, or if no Bonds are Outstanding of the Secured Bonds then Outstanding, excluding any Secured Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Holders of any Secured Bonds or by their attorneys-in-fact duly authorized and delivered to such successor trustee, notification thereof being given to the Authority and the predecessor Trustee; but (unless a successor trustee shall have been appointed by the Holders of the Secured Bonds as aforesaid) the Authority by a duly executed written instrument signed by an Authorized Official shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Holders of the Secured Bonds as authorized in the General Resolution. The Authority shall publish notice of any such appointment made by it once in each week for two consecutive calendar weeks, in Authorized Newspapers, the first publication to be made within twenty days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the Holders of the Secured Bonds as authorized in the General Resolution.

If in a proper case no appointment of a successor trustee shall be made pursuant to the foregoing provisions within forty-five days after the Trustee shall have given to the Authority written notice as provided in the General Resolution or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Secured Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee so appointed in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association, and having a capital and surplus aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association 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 the General Resolution. (Section 1009)

Resignation or Removal of Depositary or Paying Agent and Appointment of Successor. Any Depositary or Paying Agent may at any time resign and be discharged of the duties and obligations created by the General Resolution by giving at least sixty days' written notice to the Authority and the other Fiduciaries. Any Depositary or Paying Agent may be removed at any time by an instrument filed with such Fiduciary and the Trustee and signed by the Authority. Any successor Depositary or Paying Agent shall be appointed by the Authority, with the approval of the Trustee, and (subject to the requirements of the General Resolution) 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 \$50,000,000, and willing and able to accept the offer on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the General Resolution.

In the event of the resignation or removal of any Depositary or Paying Agent, such Fiduciary shall pay over, assign and deliver any moneys held by it as a Fiduciary to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Depositary or Paying Agent, the Trustee shall act as such Fiduciary. (Section 1014)

Supplemental Resolutions, Amendments and Modifications

Supplemental Resolutions Effective Upon Filing With the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted by the Authority, which upon the filing with the Trustee of a copy thereof certified by an Authorized Official, shall be fully effective in accordance with its terms:

- (a) to close the General Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the General Resolution on, the authentication and delivery of Secured Bonds or the issuance of Unsecured Bonds;
- (b) to add to the covenants and agreements of the Authority in the General Resolution other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the General Resolution as theretofore in effect including any covenants necessary for compliance with the Code, including without limitation section 148(f) thereof or Regulations promulgated thereunder;
- (c) to add to the limitations and restrictions in the General Resolution other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the General Resolution as theretofore in effect;
- (d) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the General Resolution, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the General Resolution;
- (e) to authorize Secured Bonds of a Series and, in connection therewith specify and determine the matters and things relating to the authorization, issuance and form of the Secured Bonds to be issued, and also any other matters and things relative to such Secured Bonds which are not contrary to or inconsistent with the General Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Secured Bonds including, without limiting the generality of the foregoing, provisions amending or modifying the General Resolution to provide for the issuance of Secured Bonds in book-entry form or in coupon form payable to bearer;
- (f) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the General Resolution, of the Pledged Collateral or of any other moneys, securities or funds;
- (g) to modify any of the provisions of the General Resolution in any respect whatsoever, provided that
 - (i) such modification shall be, and be expressed to be, effective only after all Secured Bonds or Secured Bonds of any Series, or of any stated maturity within any Series, affected by the amendment Outstanding at

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the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Secured Bonds or Secured Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Secured Bonds issued in exchange therefor or in place thereof;

(h) to modify the definition of Investment Securities as directed in a resolution adopted by the Authority, provided that the Authority shall have delivered to the Trustee a written statement from the Rating Agencies assigning a rating on the Outstanding Secured Bonds that the details of such modification have been provided in writing to the Rating Agencies and that the Rating Agencies have either (A) confirmed that such modification will not adversely affect such ratings or (B) issued a rating on a Series of Secured Bonds to be issued on a parity with any Outstanding Secured Bonds which is not lower than the rating assigned by the Rating Agencies to such Outstanding Secured Bonds prior to such modification, or any other evidence satisfactory to the Trustee that modification will not adversely affect the then current ratings, if any, assigned to the Secured Bonds by the Rating Agencies; or

(i) to subject to the lien created by either the Pledge or the Subordinated Pledge under the General Resolution moneys, securities or funds which were not previously included in the definition of Revenues or additional property, collateral or security which was not previously included in the definition of Pledged Collateral. (Section 1101)

Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Official, and (ii) the filing with the Authority of an instrument in writing made by the Trustee consenting thereto shall be fully effective in accordance with its terms:

(a) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the General Resolution; or

(b) to insert such provisions clarifying matters or questions arising under the General Resolution as are necessary or desirable and are not contrary to or inconsistent with the General Resolution as theretofore in effect; or

(c) to provide for additional duties of the Trustee.

Any such Supplemental Resolution may also contain one or more of the purposes specified in the General Resolution, and in that event, the consent of the Trustee required by the General Resolution shall be applicable only to those provisions of such Supplemental Resolution as shall contain one or more of the purposes for adoption of a Supplemental Resolution set forth in the General Resolution. (Section 1102)

Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Holders of any Secured Bonds in accordance with and subject to the provisions of the General Resolution governing adoption of Supplemental Resolutions, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Official and upon compliance with the provisions of the General Resolution, shall become fully effective in accordance with its terms as provided therein. (Section 1103)

General Provisions. The General Resolution shall not be modified or amended in any respect except as provided therein. Nothing in the General Resolution relating to adoption of Supplemental Resolutions shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the General Resolution or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which shall be delivered to said Fiduciary.

Any Supplemental Resolution referred to and permitted or authorized by the General Resolution may be adopted by the Authority without the consent of any of the Holders of any Secured Bonds, but shall become effective only on the conditions, to the extent and at the time provided in the General Resolution. The copy of every Supplemental Resolution filed with the Trustee shall be accompanied by a Bond Counsel's opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the General

Resolution, is authorized or permitted by the General Resolution, and is valid and binding upon the Authority provided that such Bond Counsel's opinion may take an exception on account of the laws of bankruptcy, reorganization and insolvency and of other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general equitable principles.

The Trustee is authorized by the General Resolution to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by the General Resolution and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Bond Counsel's opinion) that such Supplemental Resolution is authorized or permitted by the provisions of the General Resolution.

No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. (Section 1104)

Powers of Amendment. Except as otherwise provided in the General Resolution any modification or amendment of the General Resolution or of the rights and obligations of the Authority and of the Holders of the Secured Bonds thereunder may be made by a Supplemental Resolution, with the written consent given as provided in the General Resolution, (i) of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given and at least two-thirds in principal amount of the Subordinated Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Secured Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in aggregate principal amount of the Secured Bonds of the several Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Secured Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Secured Bonds shall not be required and such Secured Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Secured Bonds under the provisions of the General Resolution governing such modification or amendment. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Secured Bond or of any payment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Secured Bond, or shall reduce the percentages or otherwise affect the classes of Secured Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of the provisions governing such modification and amendment, a Series shall be deemed to be affected by a modification or amendment of the General Resolution if the same adversely affects or diminishes the rights of the Holders of Secured Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Secured Bonds of any particular Series or maturity would be affected by any modification or amendment of the General Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Secured Bonds. For the purposes of the provisions governing such modification and amendment, the Holders of the Secured Bonds may include the initial Holders thereof, regardless of whether such Secured Bonds are being held for immediate resale. (Section 1105)

Consent of Holders of Secured Bonds. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the General Resolution, to take effect when and as provided in the General Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders of Secured Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Holders of Secured Bonds and published once in each week for three (3) successive weeks in Authorized Newspapers (but failure to mail or so publish such copy and request shall not affect the validity of the Supplemental Resolution when consented to as provided in the General Resolution). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Secured Bonds specified in the General Resolution and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed in accordance with the provisions of the General Resolution, is authorized or permitted thereby and is valid and binding upon the Authority, and (ii) a notice shall have been published as provided in the provisions of the General Resolution governing such modification and amendment. The Authority may fix a record date for purposes of determining Holders of Secured Bonds entitled to consent to a proposed Supplemental Resolution.

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Any such consent shall be binding upon the Holder of the Secured Bonds giving such consent and upon any subsequent Holder of such Secured Bond or any bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof).

At any time after the Holders of the required percentages of Secured Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that Holders of such required percentages of Secured Bonds have filed their consents. Such written statement shall be conclusive evidence that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Secured Bonds and will be effective as provided in the General Resolution, shall be given to the Holders of Secured Bonds by the Authority by mailing such notice to such Holders and, if at the time any of such Secured Bonds is in coupon form payable to bearer, by publishing the same in the Authorized Newspapers in which the proposed Supplemental Resolution and form of consent were published at least once not more than ninety days after Holders of the required percentages of Secured Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for in the General Resolution is filed. The Authority shall file with the Trustee proof of the giving of such notice. A record, consisting of the papers required or permitted by the General Resolution to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Secured Bonds upon the filing with the Trustee of the proof of the giving of such last mentioned notice. (Section 1106)

Modifications by Unanimous Consent. Notwithstanding anything contained in the General Resolution, the terms and provisions of the General Resolution and the rights and obligations of the Authority and of the Holders of Secured Bonds may be modified or amended in any respect upon the adopting and filing of a Supplemental Resolution and the consent of the Holders of all Secured Bonds then Outstanding, such consent to be given as provided in the General Resolution except that no notice to the Holders of Secured Bonds either by mailing or publication shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Secured Bonds. (Section 1107)

Defeasance

Manner of Effecting Defeasance. (a) If, when the Secured Bonds secured by the General Resolution shall have become due and payable in accordance with their terms or otherwise as provided in the General Resolution or shall have been duly called for redemption or irrevocable instructions to call the Secured Bonds for redemption shall have been given by the Authority to the Trustee, the whole amount of the Debt Service so due and payable upon all of the Secured Bonds then Outstanding shall be paid or sufficient moneys or Defeasance Obligations shall be held by the Trustee or the Paying Agents for such purpose, and provision shall also be made for paying all other sums payable under the General Resolution by the Authority, then and in that case the right, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the Authority, shall release the General Resolution and shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall turn over to the Authority or to such officer, board or body as may then be entitled by law to receive the same any surplus in any fund or account established under the General Resolution, except for the Rebate Fund and any account therein, and except for moneys held for redemption or payment of Secured Bonds; otherwise the General Resolution shall be, continue and remain in full force and effect.

(b) In the event Defeasance Obligations are deposited with the Trustee for the purpose of complying with the General Resolution, the General Resolution shall only be released upon the Trustee receiving a Certificate by an independent certified public accounting firm of national reputation appointed by the Trustee, with the approval of the Authority, stating that the Defeasance Obligations are of such maturities, redemption dates and Payment Dates, and bearing such rate or rates of interest, as will be sufficient, together with any moneys on deposit with the Trustee and available for such purpose, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held in trust and committed for the same purpose) for the payment of all Debt Service on those Secured Bonds, at their maturity or redemption dates, as the case may be; provided, that if any of those Secured Bonds are to be redeemed prior to the maturity thereof, notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice.

(c) For purposes of determining whether Secured Bonds bearing interest at a Variable Rate shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Obligations and moneys, if any, in accordance with the General Resolution, the interest to come due on such Secured Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Secured Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Securities on deposit with the Trustee for the payment of interest on such Secured Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Secured Bonds in order to satisfy the General Resolution, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any lien or pledge securing the Secured Bonds or otherwise existing under the General Resolution.

(d) Secured Bonds subject to a Tender Option shall be deemed to have been paid in accordance with the General Resolution only if, in addition to satisfying the other requirements therein, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Secured Bonds which could become payable to the Holders of such Secured Bonds upon the exercise of any Tender Option provided to the Holders of such Secured Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to paragraph (b) above, the Tender Options originally exercisable by the Holder of a Secured Bond are no longer exercisable, such Secured Bond shall not be considered a Secured Bond subject to a Tender Option for purposes of this paragraph. If any portion of the moneys deposited with the Trustee for the payment of the Debt Service on such Secured Bonds is not required for such purpose the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien or pledge securing said Secured Bonds or otherwise existing under the General Resolution.

(e) If any Secured Bonds shall be deemed paid and discharged pursuant to the General Resolution, then within 15 days after such Secured Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the registration books kept by the Secured Bond Registrar on the date on which such Secured Bonds are deemed paid or discharged. Such notice shall state the numbers of the Secured Bonds deemed paid and discharged or state that all Secured Bonds of a particular Series are deemed paid and discharged, set forth a description of the obligations held pursuant to the first paragraph above and specify any date or dates on which any of the Secured Bonds are to be called for redemption pursuant to notice of redemption given or irrevocable provisions made for such notice pursuant to the first paragraph above.

(f) Notwithstanding any other provision in this Section, any reference to Secured Bonds in this Section may refer to all Outstanding Secured Bonds, all Outstanding Secured Bonds in any Series or to all Outstanding Secured Bonds of a stated maturity within any Series of Secured Bonds, and the provisions set forth with respect to defeasance in the General Resolution may equally apply to all Outstanding Secured Bonds, all Outstanding Secured Bonds in any Series or to all Outstanding Secured Bonds of a stated maturity within any Series of Secured Bonds.

(g) If a forward supply contract is employed in connection with the advance refunding of the Series 2000 Bonds (i) the verification report provided pursuant to subsection (b) above shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the General Resolution, if no separate escrow agreement is utilized), the terms of the escrow agreement or Resolution, if applicable, shall be controlling. (Section 1201)

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SUMMARY OF CERTAIN PROVISIONS OF THE SPECIAL OBLIGATION BOND RESOLUTION

The following are summaries of certain provisions of the Special Obligation Resolution, as supplemented and amended. These summaries do not purport to be complete or definitive and are qualified in their entireties by reference to the full terms of such documents. All capitalized terms used in this summary and not defined elsewhere in this Official Statement have the same meanings as in the Special Obligation Resolution.

Authorization of Bonds.

Credit Facilities. In connection with the issuance of any Series of Bonds, the Authority may obtain or cause to be obtained one or more Credit Facilities providing for payment of all or a portion of the principal or Redemption Price of or interest due or to become due on such Bonds, providing for the purchase of such Bonds by the provider of such Credit Facility or providing funds for the purchase of such Bonds by the Authority. In connection therewith the Authority may enter into agreements with the provider of such Credit Facility providing for, among other things: (i) the payment of fees and expenses to such provider for the issuance of such Credit Facility; (ii) the terms and conditions of such Credit Facility and the Series of Bonds affected thereby, including without limitation any subrogation rights of the provider; and (iii) the security, if any, to be provided for such Credit Facility.

The Authority may secure such Credit Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Authority in the applicable Supplemental Resolution. The Authority may also in an agreement with the provider of such Credit Facility agree to reimburse directly such provider for the Reimbursement Obligation. Any unpaid Reimbursement Obligation shall be deemed to be an Outstanding Bond of the Series secured by the Credit Facility for purposes of the Special Obligation Resolution to the extent that such Reimbursement Obligation resulted from a payment by the Authority of principal, whether at maturity or upon acceleration or redemption.

Any such Credit Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as specified in the applicable Supplemental Resolution.

The rights of the provider of a Credit Facility shall be subordinate to or on a parity with the rights of the holders of any Bonds. (Section 207)

Redemption.

Redemption in Whole or in Part. Any Series of Bonds may be redeemed in whole or in part as provided in the Supplemental Resolution authorizing the issuance of such Series of Bonds.

If less than all of the Bonds of a single maturity or portions of Bonds of such maturity are to be redeemed the Bonds or portions of Bonds of that maturity to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof. (Section 401)

Notice of Redemption. Notice of the call for any redemption of Bonds prior to maturity (a) shall be filed with the Paying Agent and (b) shall be mailed, by registered or certified mail, postage prepaid, to the Holder of each such Bond to be redeemed at the address shown on the registration books kept by the Trustee, as Bond Registrar; provided, however, that any failure to give such notice to any Paying Agent or to mail such notice to any Holder of a Bond, or any defect in any such notice, shall not affect the validity of any proceedings for the redemption of any of the Bonds. Each such notice shall identify by designation, letters, numbers, or other distinguishing marks (including CUSIP numbers), the numbers of the Bond, or portions thereof to be redeemed, the Redemption Price to be paid, the date of general mailing of notices to Holders, the date fixed for redemption, the name and address of the place or places where the amounts due upon such redemption are payable, including the name of any Paying Agent together with a contact person and telephone number, and the issue date, interest rate and maturity date of the Bonds. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption

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Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. In case any Bond of a Series is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds of such Series in principal amount equal to the unredeemed portion of such Bond will be issued. In the case of any optional redemption of Bonds prior to maturity to be made at the direction of the Authority, the Trustee shall give the notices required by the Special Obligation Resolution as soon as practicable after receipt of written notice from the Authority of such direction and shall not be required to give such notices until such time. (Section 402)

Rights of Bondholders upon Redemption. Notice having been filed in the manner and under the conditions provided above, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds and portions of Bonds on such date. On the date so designated for redemption, notice having been filed and moneys for payment of the redemption price being held in separate accounts by the Trustee or by the Paying Agent in trust for the Holders of the Bonds or portions thereof to be redeemed all as provided in the Special Obligation Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under the Special Obligation Resolution, and the Holders or registered owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the Special Obligation Resolution, to receive Bonds for any unredeemed portions of Bonds. (Section 403)

Partial Redemption. In case part but not all of an Outstanding Bond shall be selected for redemption, the Bondholder or the registered owner thereof or his attorney or legal representative, as the case may be, shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, a Bond for the unredeemed balance of the principal amount of the Bond so surrendered. (Section 404)

Cancellation of Paid or Redeemed Bonds. All Bonds finally paid or redeemed either at or before maturity, shall be delivered to the Trustee when such payment, redemption or purchase is made and such Bonds shall thereupon be cancelled. All cancelled Bonds shall be held by the Trustee until the Special Obligation Resolution shall be released; provided, however, that Bonds so cancelled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate describing the Bonds so destroyed, and one executed certificate shall be filed with the Treasurer of the Authority, and the other executed certificate shall be retained by the Trustee. (Section 405)

Funds and Accounts.

The Pledges Effected by the Special Obligation Resolution. There are pledged for the payment of the Bonds, in accordance with their terms and the provisions of the Special Obligation Resolution, subject only to the provisions of the Special Obligation Resolution permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Special Obligation Resolution: (i) all Special Obligation Revenues; (ii) all moneys and securities in any of the Funds, Accounts and Subaccounts (except the Rebate Fund), together with the investment income therefrom except to the extent such income is required to be deposited in the Rebate Fund pursuant to a Supplemental Resolution; and (iii) all other moneys and securities to be received, held or set aside by the Authority or by any Fiduciary pursuant to the Special Obligation Resolution. It is the intention of the Authority that, to the fullest extent permitted by law, this pledge shall be valid and binding from the time when it is made, that the Special Obligation Revenues, moneys, securities and other funds so pledged and then or thereafter received by the Authority shall immediately be subject to the lien of such pledge and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. (Section 501)

Establishment of Funds and Accounts. The following special Funds in the name of Maine Turnpike Authority and Accounts therein are established in the Special Obligation Resolution:

- (i) Capital Fund
- (ii) Debt Service Fund, containing:

- (A) Interest Account
- (B) Principal Account
- (C) Redemption Account

- (iii) Rebate Fund.

Any Supplemental Resolution providing for a Series of Bonds may establish separate Accounts or Subaccounts which shall be designated by reference to that particular Series of Bonds in any of the foregoing Funds and Accounts.

Any Supplemental Resolution which provides for a Credit Facility to secure the payment of the principal of and interest on the Bonds authorized thereby or to secure the payment of the Tender Option Price, may establish one or more Accounts in the Debt Service Fund to segregate the moneys received from any draw or payment pursuant to a Credit Facility or to provide a separate source of payment on any such Bonds.

Unless otherwise expressly provided in the Special Obligation Resolution, the Capital Fund, the Debt Service Fund and the Rebate Fund shall be held by the Trustee. (Section 502)

Capital Fund. All payments from the Capital Fund, other than from the Kittery Acquisition Account, shall be for the Costs of Department of Transportation Projects. The Department of Transportation shall requisition the Trustee for each payment from the Capital Fund, other than from the Kittery Acquisition Account, by filing with the Trustee a Capital Requisition Certificate. Notwithstanding the foregoing, in the event that such payment shall be a reimbursement to the Authority for advances made to pay the Costs of Department of Transportation Projects, the Authority shall requisition the Trustee for each such payment from the Capital Fund, other than from the Kittery Acquisition Account.

Upon receipt of each such Certificate, the Trustee shall withdraw from the Capital Fund, other than from the Kittery Acquisition Account, an amount equal to the total of the amounts to be paid as set forth in such Certificate. Each such obligation shall be paid by check (or other method of transaction acceptable to the Department of Transportation, except in the case of payment of a reimbursement to the Authority which shall be in accordance with such method as shall be acceptable to the Authority and the Trustee) signed by the Trustee.

When the payments from the Capital Fund, other than from the Kittery Acquisition Account, shall have been completed, which fact shall be evidenced to the Trustee by a Certificate stating the date of such completion, signed by an Authorized Official of the Department of Transportation and approved by an Authorized Official of the Authority, the balance in the Capital Fund, other than from the Kittery Acquisition Account, not reserved by the Department of Transportation for the payment of any remaining part of any Costs of Department of Transportation Projects (whether or not such Costs were financed with the issuance of any Bonds), shall be transferred by the Trustee to the Debt Service Fund and credited as provided in a Supplemental Resolution. (Section 503)

Deposits to the Debt Service Fund. Subject to the terms of the Special Obligation Resolution, the Authority covenants to transfer from the Department of Transportation Provision Account or any other account established under the General Turnpike Revenue Bond Resolution and deposit with the Trustee the following amounts to be applied in the following order:

- (i) on or before the 20th day of each June and December, beginning December 20, 1996, for credit to the Interest Account of the Debt Service Fund, such amount as, together with any other funds then in said Interest Account and available for such purpose, shall be equal to the amount required

to pay the interest portion of the Debt Service Charges which will be payable on the Bonds on the next ensuing Payment Date; and

- (ii) on or before the 20th day of each June, beginning June 20, 1997, for credit to the Principal Account of the Debt Service Fund, such amount as, together with other funds then in said Principal Account and available for such purpose, shall be equal to the amount required to pay the principal portion (including any sinking fund installment) of the Debt Service Charges on the Bonds on the next ensuing Principal Payment Date.

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(b) Amounts deposited pursuant to paragraph above shall be appropriately adjusted to reflect the date of issue of Bonds, any accrued or capitalized interest deposited in the Debt Service Fund, and any purchase or redemption of Bonds so that there will be available on each payment date in the Debt Service Fund the amount necessary to pay the interest and principal or sinking fund installment due or coming due on the Bonds and so that accrued or capitalized interest will be applied to the installments of interest to which they are applicable. (Section 504)

Debt Service Fund. The Trustee shall, from time to time, withdraw from the Debt Service Fund and (i) remit by wire transfer to each owner of Bonds the amounts required for paying interest upon such Bonds as such interest becomes due and (ii) set aside or deposit in trust with the Paying Agent sufficient moneys for paying the principal of all Outstanding Bonds as the principal becomes due. (Section 505)

Deposits to the Deficiency Account. Subject to the terms of the Special Obligation Resolution, the Authority covenants to transfer from the Department of Transportation Provision Account or any other account established under the General Turnpike Revenue Bond Resolution and deposit in a Deficiency Account within the Debt Service Fund created under a Supplemental Resolution amounts to provide for the payment of Reimbursement Obligations on the terms and conditions set forth in the Supplemental Resolution applicable to the Series of Bonds secured by the applicable Credit Facility. In the event that a Reimbursement Obligation is not paid in the Fiscal Year in which the obligation is incurred the Reimbursement Obligation may be paid in a subsequent Fiscal Year.

Subject to the terms of the Special Obligation Resolution, the Authority covenants to transfer from the Department of Transportation Provision Account or any other account established under the General Turnpike Revenue Bond Resolution and deposit in a Deficiency Account within the Debt Service Fund created under a Supplemental Resolution amounts to provide for the payment of due and unpaid Debt Service Charges to be applied in accordance with the provisions of the Special Obligation Resolution described under the heading "Application of Special Obligation Revenues and Other Pledged Collateral After Default." In the event that Debt Service Charges are not paid in the Fiscal Year when due, such Debt Service Charges may be paid in subsequent Fiscal Year. (Section 506)

Redemption Accounts. Moneys held for the credit of the Redemption Account shall be applied to the redemption or payment of Outstanding Bonds as follows:

Subject to the provisions of the Special Obligation Resolution and the paragraph below, the Trustee shall call for redemption on each Payment Date on which Bonds are subject to redemption such amount of Bonds or portions of Bonds then subject to redemption as, with any premium payable under the Special Obligation Resolution and all necessary and proper expenses incurred in connection therewith, will exhaust the Redemption Account as nearly as may be; provided, however, that not less than One Hundred Thousand Dollars (\$100,000) principal amount of Bonds shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of the Special Obligation Resolution.

Not less than thirty (30) days before the redemption date, as set forth in the applicable Supplemental Resolution or Supplemental Resolutions, the Trustee shall withdraw from the Debt Service Fund and from the Redemption Account and set aside in separate accounts the amounts required for paying the Debt Service Charges on the Bonds or portions of Bonds so called for redemption, and shall pay from the Redemption Account all expenses in connection with such redemption.

Moneys in the Redemption Account shall be allocated by the Trustee in each Fiscal Year for the payment of Bonds then Outstanding, either by purchase or redemption, provided, however, that if the respective Bonds shall not then be subject to redemption and if the Trustee shall at any time be unable to exhaust the moneys applicable to the respective Bonds in the purchase of such Bonds at not more than par and accrued interest to the date of such purchase plus the premium, if any, payable thereon if called for redemption, such moneys or the balance of such moneys, as the case may be, shall be retained in the Redemption Account and, as soon as it is feasible, applied to the payment or redemption of any Bonds secured by such Account. (Section 507)

Rebate Fund. Upon the issuance, sale and delivery of any Series of Bonds subject to the Rebate Fund Requirement, the Trustee shall establish a separate account within the Rebate Fund for such Series. Funds on deposit in the Rebate Fund shall be applied as set forth in the applicable Supplemental Resolution. Unless otherwise specified in

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the applicable Supplemental Resolution, interest or other income derived from the investment or deposit of moneys in the Rebate Fund shall be transferred to the Revenue Fund. (Section 510)

Deposits and Disbursements. All Special Obligation Revenues and other moneys deposited in any Fund or Account may be placed in a demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. All moneys held by any Fiduciary may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed.

Except as otherwise provided in the Special Obligation Resolution, (i) all payments from any Fund or Account shall be made by check (or other manner of transaction acceptable to the Authority and the Fiduciary) signed by an Authorized Official of the Authority and (ii) all transfers from one Fund or Account to another Fund or Account shall be made by the Fiduciary upon receiving a Certificate from the Authority setting forth the amount to be transferred and the directions required for the transfer. As long as any Bonds are Outstanding, the Authority shall maintain Disbursement Records with respect to each payment and transfer which will be available for inspection during the ordinary business hours of the Authority, upon reasonable notice, by any Fiduciary, any accountant engaged to audit the financial statements or reports of the Authority and any Bondholder.

Any Certificate received by any Fiduciary from the Authority as required in the Special Obligation Resolution may be relied upon by and shall be retained in the possession of the Fiduciary. (Section 511)

Moneys Held in Trust. Subject to the terms and conditions set forth in the Special Obligation Resolution, moneys credited to the Debt Service Fund shall be held in trust and disbursed by the Trustee for (a) the payment of interest upon the Bonds issued under the Special Obligation Resolution as such interest falls due or (b) the payment of the principal of such Bonds as such principal payments become payable or (c) the payment of the purchase or Redemption Price of such Bonds before maturity. Pending such application such moneys shall be subject to the Pledge in favor of the Holders of Outstanding Bonds and for the security of the Holders of Outstanding Bonds until paid or transferred as provided in the Special Obligation Resolution.

Moneys in the Capital Fund shall be held in trust and applied as provided in the Special Obligation Resolution and pending such application, shall be subject to the Pledge in favor of the Holders of Outstanding Bonds and for the security of the Holders of Bonds until paid out or transferred as provided in the Special Obligation Resolution. (Section 512)

Unclaimed Moneys in the Debt Service Fund. All moneys which the Trustee shall have withdrawn from the Debt Service Fund or shall have received from any other source and set aside for the purpose of making any payments on account of principal of any Bonds, either at the maturity thereof or upon call for redemption, or for the purpose of paying any interest on any Bonds, shall be held in trust for the respective Holders of such Bonds. But any moneys which shall be set aside or deposited by the Trustee and which shall remain unclaimed by the Holders of the Bonds for the period of five years after the date on which such Bonds or such interest shall have become payable shall upon request in writing be paid to the Authority or to such officer, board or body as may then be entitled by law to receive the same, and thereafter

the Holders of such Bonds or other persons entitled to such payment by virtue of having been Holders of such Bonds shall look only to the Authority or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys. (Section 513)

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Depositories and Investment of Funds.

Depositories of Moneys and Securities for Deposits. All moneys received by the Authority under the provisions of the Special Obligation Resolution shall be deposited with the Trustee, or one or more Depositories to be designated by the Authority with the approval of the Trustee (which approval shall not be unreasonably withheld). All moneys deposited under the provisions of the Special Obligation Resolution with the Trustee or any other Depository shall be held in trust and applied only in accordance with the provisions of the Special Obligation Resolution, and shall not be subject to lien or attachment by any creditor of the Authority.

All moneys deposited with the Trustee or any other Depository under the Special Obligation Resolution shall be continuously secured, for the benefit of the Authority and the Holders of the Bonds, either (a) by depositing with a bank or trust company approved by the Trustee, and the Authority as custodian, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) as to all or any part of such deposit, by depositing with the Trustee, or with the Treasurer of the Authority in the case of moneys deposited or remaining on deposit with the Trustee, the indemnifying bond or bonds of a surety company or companies qualified as surety for United States Government deposits and qualified to transact business in the state in which such Depository is located in a penal sum not less than the amount of moneys so deposited or such part thereof, such bond or bonds to be approved in writing by the Authority, or (c) in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Paying Agent to give security for the deposit of any moneys with it for the payment of the principal of or the interest on any Bonds, or for the Trustee to give security for any moneys which shall be represented by obligations purchased under the provisions of the Special Obligation Resolution as an investment of such moneys.

All moneys deposited with each Fiduciary shall be credited to the particular Fund, Account or Subaccount to which such moneys belong. (Section 601)

Investment of Funds. Moneys on deposit to the credit of the Debt Service Fund and the Rebate Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee, as directed by an Authorized Official of the Authority, in Government Obligations which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates, as estimated by the Authority, when moneys held for the credit of such fund will be required for the purposes intended.

Moneys on deposit in the Capital Fund shall be continuously invested and reinvested by the Trustee in Investment Securities as directed by an Authorized Official of the Authority.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Debt Service Fund shall be retained in the Debt Service Fund. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Debt Service Fund shall be paid on the last Business Day of each month, on a pro rata basis based on the required deposits to each Series Subaccount therein, first to the Interest Account of the Debt Service Fund and second to the Principal Account of the Debt Service Fund. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Capital Fund shall be paid into Debt Service Fund on the last Business Day of each month.

The Fiduciary shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from such Fund or Account. Neither the Fiduciary nor the Authority shall be liable or responsible for any loss resulting from any such investment.

Moneys and securities credited to any Fund or Account may be commingled with moneys and securities credited to other Funds or Accounts for the purposes of establishing checking or other bank accounts for purposes of investing funds or otherwise; provided, however, the Trustee and the Authority shall at all times maintain or cause to be maintained accurate books and records reflecting the amounts credited to the respective Funds and Accounts held by

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each of them. All withdrawals from any commingled moneys or securities shall be charged against the proper Fund or Account and no moneys shall be withdrawn from commingled moneys if there is not on credit to the Fund or Account to be charged sufficient funds to cover such withdrawal. (Section 602)

Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund or Account established under the provisions of the Special Obligation Resolution shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from the liquidation of such investment shall be charged to such Fund or Account. Except as provided in the Special Obligation Resolution, the Investment Securities credited to any Fund or Account shall be valued on a cost of purchase basis.

Except as otherwise provided in the Special Obligation Resolution, the Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Official of the Authority so to do. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by the Trustee, the Trustee shall sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Official of the Authority necessary to provide sufficient moneys for such payment or transfer; provided, however, that if the Authority fails to provide such designation promptly after request thereof by the Trustee, the Trustee may in its discretion select the obligation or obligations to be sold or presented for redemption. The Trustee shall not be liable or responsible for any loss resulting from the making of any such investment or the sale or redemption of any obligation in the manner provided above. (Section 603)

Indebtedness Covenants.

Deposits to the Trustee to be Subordinate. So long as the General Turnpike Revenue Bond Resolution and any supplemental resolution adopted in connection therewith is in effect, (i) deposits made to the Debt Service Fund pursuant to the provisions of the Special Obligation Resolution described under the headings "Deposits to the Debt Service Fund" shall be made from moneys on deposit in the Department of Transportation Provision Account in the General Reserve Fund established pursuant to the General Turnpike revenue Bond Resolution and (ii) deposits made to the Debt Service Fund pursuant to the provisions of the Special Obligation Resolution described under the heading "Deposits to the Deficiency Account" shall be made from moneys on deposit in the Department of Transportation Provision Account in the General Reserve Fund established pursuant to the General Turnpike Revenue Bond Resolution or any other account established under the General Turnpike Revenue Bond Resolution. In the event that the General Turnpike Revenue Bond Resolution is no longer in effect or no bonds, notes or other evidences of indebtedness issued pursuant thereto are outstanding, deposits to the Debt Service Fund pursuant to such provisions of the Special Obligation Resolution shall at all times be made after provision for payment of debt service with respect to any and all bonds, notes and other evidences of indebtedness secured by Revenues. Notwithstanding any other provisions contained in the Special Obligation Resolution, the Authority shall not transfer any amounts to the Trustee in accordance with such provisions of the Special Obligation Resolution in excess of amounts permitted to be transferred pursuant to the Enabling Act.

The Authority shall not extend or assent to the extension of the maturity of any Bond or any scheduled payment of interest, and if the maturity of any Bond or any scheduled payment of interest shall be extended, such Bond or payment of interest shall not be entitled, in case of any default under the Special Obligation Resolution, to the benefit of the Special Obligation Resolution or to payment out of Pledged Collateral (except moneys held in trust for (a) the redemption of such Bonds, as provided in the Special Obligation Resolution or (b) the payment or redemption of such Bond, and any accrued interest thereon, pursuant to the Special Obligation Resolution) until the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended payment of interest. Nothing in the Special Obligation Resolution shall be deemed to limit the right of the Authority to issue Additional Bonds for purposes of refunding Outstanding Bonds and such issuance of Additional Bonds shall not be deemed to constitute an extension of the maturity of or payment of interest on Bonds. (Section 701)

Further Assurance. The Authority covenants that at any and all times the Authority shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the Pledged Collateral or the rights pledged or assigned by

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the Special Obligation Resolution, or any property or rights which the Authority may become bound to pledge or assign. (Section 702)

Power to Issue Bonds. The Authority covenants that it is duly authorized under all applicable laws to issue the Bonds and to adopt the Special Obligation Resolution and to pledge the Pledged Collateral in the manner and to the extent provided in the Special Obligation Resolution. Except as provided in the Special Obligation Resolution, the Pledged Collateral is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the Pledge, and all corporate or other action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the Special Obligation Resolution are and will be valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Special Obligation Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the Pledge and all the rights of the Bondholders under the Special Obligation Resolution against all claims and demands. (Section 703)

Indebtedness and Liens. Except as provided in the Special Obligation Resolution, the Authority shall not issue any bonds, notes or other evidences of indebtedness, which are payable from the Pledged Collateral or secured by the Pledge, exclusive of the amounts held pursuant to the provisions of the Special Obligation Resolution described under the heading "Defeasance" and shall not otherwise create, incur or permit to exist any encumbrance lien or change of any kind on the Pledged Collateral. (Section 704)

Tax Covenants. The Authority shall take, or require to be taken, such action as may from time to time be required to assure the continued exclusion from federal gross income of the interest on any Series of Bonds which are Tax Exempt Obligations, including, without limitation, the preparation and filing of any statements required to be filed by the Authority in order to establish and maintain such tax exclusion and exemption. In addition, the Authority shall not take, or permit to be taken on its behalf, any action which would adversely affect the exclusion from federal gross income of the interest on any Series of Bonds which are Tax Exempt Obligations.

The Authority shall not permit the investment or application of the proceeds of any Series of Bonds which are Tax Exempt Obligations, including any funds considered proceeds within the meaning of section 148 of the Code, to be used to acquire any investment property the acquisition of which would cause such Bonds to be "arbitrage bonds" within the meaning of said section 148. (Section 705)

No Impairment of Bondholders' Rights under Resolution. The Authority covenants and agrees that none of the Special Obligation Revenues will be used for any purpose other than as provided in the Special Obligation Resolution and no contract or contracts will be entered into or any other action taken by which the rights of the Trustee or of the Bondholders might be impaired or diminished. The Authority further covenants that it will, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Special Obligation Resolution. (Section 706)

Operation and Maintenance Covenants.

Operation and Maintenance Covenants of the Authority. Certain of the Authority's covenants set forth in the General Turnpike Revenue Bond Resolution as in effect as of the date of the Special Obligation Resolution are incorporated by reference in the Special Obligation Resolution as though reproduced therein in their entirety and such covenants shall remain in full force and effect regardless of whether the General Turnpike Revenue Bond Resolution and any supplemental resolution adopted in connection therewith is in effect. Bondholders under the Special Obligation Resolution are entitled to the rights of the bondholders under the General Turnpike Revenue Bond Resolution as set forth in such sections. (Section 801)

Toll Schedules. In addition to the Authority's obligations set forth in the 1991 General Turnpike Bond Resolution, the Authority covenants and agrees that it shall at all times maintain in effect a schedule of tolls for traffic over the Turnpike and shall charge tolls in accordance therewith in an amount sufficient (i) to provide for the transfer of funds to the Trustee pursuant to the section of the Special Obligation Bond Resolution entitled "Deposits to Debt Service Fund" and (ii) to provide for the transfer of funds to the Trustee pursuant to section of the Special Obligation Bond Resolution entitled "Deposits to Deficiency Account".

If the Authority determines that it will not be able to meet its covenant to transfer funds (i) as set forth in the section of the Special Obligation Bond Resolution entitled "Deposits to Debt Service Fund" or (ii) as set forth in the section of the Special Obligation Bond Resolution entitled "Deposits to Deficiency Account", either in the current Fiscal Year or the next following Fiscal Year as set forth in its most recent written certification of such amounts approved pursuant to the section entitled "Annual Budget and Certification of required deposits", the Authority covenants that it will, within 60 days of such determination, request the Consulting Engineers and the Traffic Consultant to prepare a Consultant's Report for the purpose of making recommendations as to a revised schedule of tolls in order that it will be able to meet its obligation to transfer funds as set forth in the sections of the Special Obligation Bond Resolution entitled "Deposits to Debt Service Fund" and "Deposits to Deficiency Account" for the next following Fiscal Year, and copies of such request and of the recommendations of the Consulting Engineers shall be filed with the Trustee.

Anything in the Special Obligation Bond Resolution to the contrary notwithstanding, if the Authority shall comply with all recommendations contained in such Consultant's Report in respect of tolls, it will not constitute an Event of Default under the provisions of the Special Obligation Bond Resolution if (i) the total amounts transferred pursuant to the section of the Special Obligation Bond Resolution entitled "Deposits to Debt Service Fund" in any Fiscal Year shall be less than the Debt Service for such Fiscal Year, (ii) the total amounts transferred pursuant to the section of the Special Obligation Bond Resolution entitled "Deposits to Deficiency Account" shall be less than the unpaid Reimbursement Obligations or due and unpaid Debt Service Charges. In the event of any such deficiencies the Trustee or the Holders of not less than fifty per cent (50%) in principal amount of the Bonds Outstanding may, however, and the Trustee shall, upon the request of the Holders of not less than twenty-five per cent (25%) in principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the Authority to revise the schedule of tolls. The Authority covenants that it will adopt and charge tolls in compliance with any final order, decree or judgment entered in any such proceeding, or any modification thereof.

In the event that the Authority shall request the Consulting Engineers and the Traffic Consultant to prepare a Consultant's Report as provided in the second paragraph of this Section and the Consulting Engineers and the Traffic Consultant, after such request by the Authority, shall fail to file with the Authority a written Consultant's Report within ninety (90) days after such request, the Authority shall immediately designate and appoint other independent engineers or engineering firms or corporations with the qualifications of Consulting Engineers and Traffic Consultant to prepare such written Consultant's Report on or before the 1st day of June following. Such written Consultant's Report shall for all purposes be considered to be the equivalent of and substitute for the written Consultant's Report of the Consulting Engineers and Traffic Consultant referred to in the second paragraph of this Section.

The Authority covenants that it will adopt and institute the revised toll schedule within one hundred eighty (180) days after receipt of the Consultant's Report referred to in either in the second paragraph of this Section or the preceding

paragraph above. The Authority further covenants that immediately upon the adoption of any revised schedule of tolls certified copies thereof will be filed with the Trustee. (Section 802)

Annual Budgets and Certification of required deposits. In addition to the Authority's obligations set forth in the 1991 General Turnpike Revenue Bond Resolution, the Authority covenants to provide (i) in connection with and as a part of its preliminary budget, a written certification approved by the Authority which will determine, on a preliminary basis, the amounts to be transferred pursuant in the section of the Special Obligation Bond Resolution entitled "Deposits to Debt Service Fund" to pay Debt Service for the Fiscal Year following the Fiscal Year to which the budget applies with respect to all Bonds which are reasonably expected to be Outstanding during such Fiscal Year and (ii) in connection with and as a part of its final budget, a certification of the final determination of the amounts to be so transferred

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pursuant to the section of the Special Obligation Bond Resolution entitled "Deposits to Debt Service Fund" for such Fiscal Year.

If for any reason the Authority shall not have approved before December 20 of each year the certification of the final determination of the amounts to be so transferred pursuant to the section of the Special Obligation Bond Resolution entitled "Deposits to Debt Service Fund" for such Fiscal Year, the certification of the preliminary determination of such deposits shall be the final determination.

The Authority further covenants to provide (i) in connection with and as a part of its preliminary budget, a written certification approved by the Authority which will determine, on a preliminary basis, the amounts to be transferred pursuant to the section of the Special Obligation Bond Resolution entitled "Deposits to Deficiency Account" to pay any Reimbursement Obligations which have been incurred or are anticipated to be incurred during the next following Fiscal Year and (ii) in connection with and as a part of its final budget, a certification of the final determination of the amounts to be so transferred pursuant to the section of the Special Obligation Bond Resolution entitled "Deposits to Deficiency Account" for such Fiscal Year.

If for any reason the Authority shall not have approved before December 20 of each year the certification of the final determination of the amounts to be so transferred pursuant to the first paragraph of the section of the Special Obligation Bond Resolution entitled "Deposits to Deficiency Account" for such Fiscal Year, the certification of the preliminary determination of such amounts shall be the final determination.

The Authority further covenants to provide (i) in connection with and as a part of its preliminary budget, a written certification approved by the Authority which will determine, on a preliminary basis, the amounts with respect to any Debt Service Charges which are due and unpaid or are anticipated to become due and unpaid during the next following Fiscal Year and (ii) in connection with and as a part of its final budget, a certification of the final determination of such amounts for such Fiscal Year.

If for any reason the Authority shall not have approved before December 20 of each year the certification of the final determination of the amounts to be so transferred pursuant to the first paragraph of the section of the Special Obligation Bond Resolution entitled "Deposits to Deficiency Account" for such Fiscal Year, the certification of the preliminary determination of such amounts shall be the final determination.

The Authority shall approve a supplemental certification in any Supplemental Resolution authorizing the issuance of Additional Bonds in order to amend the determination of the amounts to be transferred pursuant to the section of the Special Obligation Bond Resolution entitled "Deposits to Debt Service Fund" to take into account any additional Debt Service Charges on such Additional Bonds which were not taken into account in the original final budget. Such supplemental certification shall not require the approval of the Consulting Engineer.

The Authority shall approve a supplemental certification with respect to any Reimbursement Obligation for which the Authority becomes obligated. Such supplemental certification shall not require the approval of the Consulting Engineer.

The Authority shall approve a supplemental certification with respect to any Debt Service Charges which become due and unpaid. Such supplemental certification shall not require the approval of the Consulting Engineer. (Section 803)

Funding of Department of Transportation Provision Account. Upon meeting the requirements of the General Turnpike Revenue Bond Resolution, the Authority covenants to deposit moneys pursuant to the General Turnpike Revenue Bond Resolution at such times and in such amounts as shall be sufficient to provide for the amounts required to be transferred pursuant to the provisions of the Special Obligation Resolution described under the headings "Deposits to the Debt Service Fund" and "Deposits to the Deficiency Account." (Section 804)

Encumbrances, Leases and Sale. The Authority covenants that, except as otherwise permitted in the Special Obligation Resolution, it will not sell, lease or otherwise dispose of or encumber the Turnpike or any part thereof and will not create or permit to be created any charge or lien on the Special Obligation Revenues or the Revenues, the special

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funds established under the Special Obligation Resolution or the other moneys and securities described in the Special Obligation Resolution except as provided in the Special Obligation Resolution and that, from the Revenues, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Turnpike or any part thereof, the Special Obligation Revenues or the Revenues; provided, however, that nothing in the Special Obligation Resolution contained shall require the Authority to pay or cause to be discharged, or make provision for, any such lien so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

The Authority may, however, from time to time, sell, mortgage, lease or otherwise dispose of or encumber any property if

- (i) in the reasonable judgment of the Authority, the property has become obsolete or worn out or is reasonably expected to become so within one year of the date of such disposition, or is no longer used or useful in the operation of the Turnpike or in the generation of Net Revenues, or is to be or has been replaced by other property; or
- (ii) the Consulting Engineers state that the sale, mortgage, lease or other disposition is in accordance with prudent practice for a turnpike or highway system similar in scope and character to the Turnpike; and the Authority certifies (based upon a Consultant's Report prepared by the Consulting Engineers and the Traffic Consultant) that it reasonably expects to satisfy the requirements for issuing Additional Bonds as set forth in the Special Obligation Resolution after the disposition of such property.

So long as the General Turnpike Revenue Bond Resolution is in effect, all proceeds from any sale or other disposition of the Turnpike under this paragraph shall be immediately deposited into the Reserve Maintenance Fund. In the event that the General Turnpike Revenue Bond Resolution is not in effect such proceeds shall be paid to the Authority.

(c) Notwithstanding the other provisions of paragraphs above, the Authority may make or grant leases, contracts for the use of, licenses, easements, concessions or rights in respect to any property of the Turnpike consistent with the safe and prudent operation and maintenance of the Turnpike as permitted by the Enabling Act. The net proceeds, if any, to the Authority under or in connection with any lease, contract, license, easement, concession or right in respect of any part of the Turnpike under this subsection shall constitute Revenues, and so long as the General Turnpike Revenue Bond Resolution is in effect shall be deposited to the credit of the Revenue Fund, otherwise shall be paid to the Authority. (Section 805)

Events of Default and Remedies.

Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under the Special Obligation Resolution:

- (a) a default in the payment of principal or the Tender Option Price of any Bonds Outstanding, when and as the same shall become due and payable, whether at maturity, upon redemption, upon the exercise of a Tender Option, or otherwise; or
- (b) a default in the payment of any interest on any Bonds Outstanding, when and as such interest shall become due and payable; or
- (c) an event of default under the General Turnpike Revenue Bond Resolution;
- (d) a failure by the Authority to transfer funds to the Trustee as set forth in the provisions of the Special Obligation Resolution described under the heading "Deposits to the Debt Service Fund";

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(e) default by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part or on the part of the Authority in the Special Obligation Resolution, any Supplemental Resolution or in the Bonds contained, and such default shall continue for a period of sixty days after written notice thereof stating that such notice is a "Notice of Default" to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding, provided that such sixty day period shall be extended to such longer period of time as the Trustee may deem appropriate in the event of defaults which by their nature will require such longer period of time to cure if the Authority shall commence such cure within such sixty day period and pursue the same diligently to completion; or

(f) if the Authority (i) admits in writing its inability to pay its debts generally as they become due, (ii) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of the whole or any substantial part of the Turnpike, or (v) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Authority or of the whole or any substantial part of the Turnpike. (Section 901)

Failure to pay Debt Service. If an Event of Default pursuant to subparagraphs (a) or (b) above under the heading "Events of Default and Remedies" shall occur, such obligations shall remain outstanding and shall continue to bear interest until paid in full. (Section 902)

Accounting and Examination of Records After Default. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Special Obligation Revenues and other Pledged Collateral for such period as shall be stated in such demand. (Section 903)

Application of Special Obligation Revenues and Other Pledged Collateral After Default. (a) The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee shall pay over or cause to be paid over to the Trustee (i) forthwith all Pledged Collateral then held by the Authority, or a Depositary in any Fund, Account or Subaccount under the Special Obligation Resolution and (ii) as promptly as practicably after transfer thereof, all Special Obligation Revenues.

(b) During the continuance of an Event of Default, the Trustee shall apply the Pledged Collateral and the Special Obligation Revenues and the income therefrom which it receives pursuant to (a) above as follows and in the following order:

- (i) to the payment of the reasonable and proper fees, charges and expenses (including reasonable attorneys fees) of the Fiduciaries and of any engineer or firm of engineers or accountants or firm of accountants selected by the Trustee pursuant to the Special Obligation Resolution and to the payment of any fees and expenses required to keep any Credit Facilities in full force and effect;
- (ii) to the payment of the interest and principal or Redemption Price not constituting a Reimbursement Obligation then due and payable on the Bonds as follows:

First: To the payment to the persons entitled thereto of all payments of interest which are due and payable in the chronological order of the due dates of such payments of interest, and, if the amount available shall not be sufficient to pay in full all interest payments due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the chronological order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably,

according to the amounts of principal or Redemption Price due on such date, to persons entitled thereto, without any discrimination or preference;

(iii) To the payment of any provider of a Credit Facility entitled to the payment of a Reimbursement Obligation ratably in accordance with the amounts of such Reimbursement Obligations.

(c) If and when all overdue payments of interest on all Bonds, together with the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the Authority under the Special Obligation Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Special Obligation Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all such Special Obligation Revenues then remaining unexpended in the hands of the Trustee (except Special Obligation Revenues deposited or pledged, or required by the terms of the Special Obligation Resolution to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former position and rights under the Special Obligation Resolution, restoration shall extend to or affect any subsequent default under the Special Obligation Resolution or impair any right consequent thereon. (Section 904)

Proceedings Brought by Trustee. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, if the Trustee shall deem it advisable may, or upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding, shall proceed to protect and enforce its rights and the rights of the Holders of such Bonds under the Special Obligation Resolution forthwith by a suit or suits in equity or at law, whether by an action for mandamus or a suit for the specific performance of any covenant contained in the Special Obligation Resolution, or in aid of the execution of any power granted in the Special Obligation Resolution, 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 the Special Obligation Resolution.

All rights of action under the Special Obligation Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

The Holders of a majority in principal amount of the Bonds at the time Outstanding may direct by instrument in writing 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 may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Holders of Bonds not parties to such direction.

Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Special Obligation Resolution the Trustee shall be entitled to exercise any and all rights and powers conferred in the Special Obligation Resolution and provided to be exercised by the Trustee upon the occurrence of an Event of Default; and, as a matter of right against the Authority, without notice or demand and without regard to the adequacy of the security for the Bonds, the Trustee shall, to the extent permitted by law, be entitled to the appointment of a receiver of the moneys, securities and funds then held by the Authority in any Fund, Account or Subaccount under the Special Obligation Resolution and, subject to application of the Special Obligation Revenues, with all such powers as the court or courts making such appointment shall confer; but notwithstanding the appointment of any receiver, the Trustee shall be entitled to retain possession and control of and to collect and receive income from, any moneys, securities and funds deposited or pledged with it under the Special Obligation Resolution or agreed to be provided to be delivered or pledged with it under the Special Obligation Resolution. In any suit, action or proceeding by the Trustee, the fees, counsel fees and expenses of the Trustee and the receiver, if any, and all costs and disbursements allowed by the court shall be a first charge on any Special Obligation Revenues.

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Regardless of the happening of an Event of Default, the Trustee shall have the power to, but (unless requested in writing by the Holders of a majority in principal amount of the Bonds Outstanding and furnished with reasonable security and indemnity) shall be under no obligation to, institute and maintain such suits and proceedings, including, without limitation, proceedings for declaratory judgment or injunctive or other equitable relief, as it may determine shall be necessary or expedient to prevent any impairment of the security under the Special Obligation Resolution, any impairment of the ability of the Authority or the Trustee to satisfy any of its agreements or obligations under the Special Obligation Resolution, or the impairment of any protection provided by the Special Obligation Resolution of the interests of the Holders of Bonds by any acts which may be unlawful or in violation of the Special Obligation Resolution, and such suits and proceedings, including, without limitation, proceedings for declaratory judgment or injunctive or other equitable relief, as the Trustee may determine shall be necessary or expedient to preserve or protect its interest and the interests of the Holders of any Bonds. (Section 905)

Restrictions on Action by Holders of Bonds. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Special Obligation Resolution or the execution of any trust under the Special Obligation Resolution or for any remedy under the Special Obligation Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Special Obligation Resolution, and the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this paragraph (a) or paragraph (b) below or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request within a reasonable time; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by their action to affect, disturb or prejudice any pledge created by the Special Obligation Resolution, or to enforce any right under the Special Obligation Resolution, except in the manner therein provided, and that all proceedings at law or in equity to enforce any provision of the Special Obligation Resolution shall be instituted, had and maintained in the manner provided in the Special Obligation Resolution and for the equal benefit of all Holders of the Outstanding Bonds, in accordance with their rights and interests under the Special Obligation Resolution.

Nothing in the Special Obligation Resolution or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective Holders thereof, or, subject to the provisions contained in the Special Obligation Resolution affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of their Bond. (Section 906)

Remedies Not Exclusive. No remedy by the terms of the Special Obligation Resolution conferred upon or reserved to the Trustee or any Holders of Bonds 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 the Special Obligation Resolution. The Trustee shall have and possess all the powers necessary and appropriate for the exercise of any functions specifically set forth in the Special Obligation Resolution or incident to the general representation of the Bondholders in the enforcement and protection of their rights. (Section 907)

Waivers of Events of Default. At any time, the Trustee may in its discretion waive any event of default under the Special Obligation Resolution and its consequences and rescind any declaration of maturity of principal, and shall do so upon the written request of the Holders of at least 66 2/3% in aggregate principal amount of all the Bonds Outstanding. In case of any such waiver or rescission in any proceeding taken by the Trustee on account of any such event of default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights under the Special Obligation Resolution respectively; but no such waiver or rescission shall extend to any subsequent or other event of default, or impair any right consequent thereon. (Section 908)

Intervention by the Trustee. In any judicial proceeding which the Trustee believes has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders. (Section 909)

Concerning Fiduciaries.

Trustee: Acceptance of Duties. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Special Obligation Resolution by executing the certificate of authentication endorsed upon the Bonds, and, by executing such certificate upon any Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Special Obligation Resolution. (Section 1001)

Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by the Special Obligation Resolution by giving not less than sixty days' written notice to the Authority and publishing notice thereof, at the Trustee's expense, specifying the date when such resignation shall take effect, once in each week for two successive calendar weeks in Authorized Newspapers, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or the Holders of any Bonds as provided in the Special Obligation Resolution, in which event such resignation shall take effect immediately on the appointment of such successor. (Section 1007)

Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. The Trustee may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Special Obligation Resolution with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding excluding any Bonds held by or for the account of the Authority.

The Authority may remove the Trustee at any time by filing with the Trustee an instrument signed by an Authorized Official of the Authority and mailed to the Holders of the Bonds then Outstanding not less than 30 days before such removal, and provided that no event of default under the Special Obligation Resolution has occurred and is continuing at the time such notice is given. (Section 1008)

Appointment of Successor Trustee. In the event a Trustee shall be removed pursuant to the Special Obligation Resolution, the Authority shall appoint a successor Trustee prior to the removal of the Trustee; otherwise, such written notice shall not have any force or effect. In case at any time the Trustee shall resign or shall otherwise be removed pursuant to the Special Obligation Resolution 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 its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Holder of a majority in principal amount of the Bonds then Outstanding excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Holders of any Bonds or by their attorneys-in-fact duly authorized and delivered to such successor trustee, notification thereof being given to the Authority and the predecessor Trustee; but (unless a successor Trustee shall have been appointed by the Holders of the Bonds as aforesaid) the Authority by a duly executed written instrument signed by an Authorized Official shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Holders of the Bonds as authorized in the Special Obligation Resolution. The Authority shall publish notice of any such appointment made by it once in each week for two consecutive calendar weeks, in Authorized Newspapers, the first publication to be made within twenty days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the Holders of the Bonds as authorized in this paragraph or paragraphs below.

If in a proper case no appointment of a successor trustee shall be made pursuant to first paragraph above within forty-five days after the Trustee shall have given to the Authority written notice as provided in the Special Obligation Resolution or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

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(c) Any Trustee appointed under the provisions of this paragraph or paragraphs above in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association, and having a capital and surplus aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association 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 the Special Obligation Resolution. (Section 1009)

Resignation or Removal of Depositary or Paying Agent and Appointment of Successor. Any Depositary or Paying Agent may at any time resign and be discharged of the duties and obligations created by the Special Obligation Resolution by giving at least sixty days' written notice to the Authority and the other Fiduciaries. Any Depositary or Paying Agent may be removed at any time by an instrument filed with such Fiduciary and the Trustee and signed by the Authority. Any successor Depositary or Paying Agent shall be appointed by the Authority, with the approval of the Trustee, and (subject to the requirements of the Special Obligation Resolution) 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 \$50,000,000, and willing and able to accept the offer on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Special Obligation Resolution.

In the event of the resignation or removal of any Depositary or Paying Agent, such Fiduciary shall pay over, assign and deliver any moneys held by it as a Fiduciary to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Depositary or Paying Agent, the Trustee shall act as such Fiduciary. (Section 1014)

Supplemental Resolutions, Amendments and Modifications.

Supplemental Resolutions Effective Upon Filing With the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted by the Authority, which upon the filing with the Trustee of a copy thereof certified by an Authorized Official, shall be fully effective in accordance with its terms:

(a) to close the Special Obligation Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Special Obligation Resolution on, the authentication and delivery of Bonds;

(b) to add to the covenants and agreements of the Authority in the Special Obligation Resolution other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Special Obligation Resolution as theretofore in effect including any covenants necessary for compliance with the Code, including without limitation section 148(f) thereof or Regulations promulgated thereunder;

(c) to add to the limitations and restrictions in the Special Obligation Resolution other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Special Obligation Resolution as theretofore in effect;

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

(e) to authorize Bonds of a Series and, in connection therewith specify and determine the matters and things relating to the authorization, issuance and form of the Bonds, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Special Obligation Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds including, without limiting the generality of the foregoing, provisions amending or modifying the Special Obligation Resolution to provide for the issuance of Bonds in book-entry form or in coupon form payable to bearer;

(f) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Special Obligation Resolution, of the Pledged Collateral or of any other moneys, securities or funds;

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(g) to modify any of the provisions of the Special Obligation Resolution in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds or Bonds of any Series, or of any stated maturity within any Series, affected by the amendment Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds or Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(h) to modify the definition of Investment Securities as directed in a resolution adopted by the Authority, provided that the Authority shall have delivered to the Trustee a written statement from the Rating Agencies assigning a rating on the Outstanding Bonds that the details of such modification have been provided in writing to the Rating Agencies and that the Rating Agencies have either (A) confirmed that such modification will not adversely affect such ratings or (B) issued a rating on a Series of Bonds to be issued on a parity with any Outstanding Bonds which is not lower than the rating assigned by the Rating Agencies to such Outstanding Bonds prior to such modification, or any other evidence satisfactory to the Trustee that modification will not adversely affect the then current ratings, if any, assigned to the Bonds by the Rating Agencies; ; notwithstanding the foregoing, for so long as the Series 1996 Bond Insurance Policy is in effect, such modification shall not take effect without the prior written consent of the Series 1996 Bond Insurer; or

(i) to subject to the lien created by either the Pledge under the Special Obligation Resolution moneys, securities or funds which were not previously included in the definition of Special Obligation Revenues or additional property, collateral or security which was not previously included in the definition of Pledged Collateral. (Section 1101)

Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Official, and (ii) the filing with the Authority of an instrument in writing made by the Trustee consenting thereto shall be fully effective in accordance with its terms:

- (1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Special Obligation Resolution; or
- (2) to insert such provisions clarifying matters or questions arising under the Special Obligation Resolution as are necessary or desirable and are not contrary to or inconsistent with the Special Obligation Resolution as theretofore in effect; or
- (3) to provide for additional duties of the Trustee.

Any such Supplemental Resolution may also contain one or more of the purposes specified in the Special Obligation Resolution, and in that event, the consent of the Trustee required by the Special Obligation Resolution shall be applicable only to those provisions of such Supplemental Resolution as shall contain one or more of the purposes set forth in paragraph above. (Section 1102)

Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Holders of any Bonds in accordance with and subject to the provisions of the Special Obligation Resolution, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Official and upon compliance with the provisions of the Special Obligation Resolution, shall become fully effective in accordance with its terms as provided in the Special Obligation Resolution. (Section 1103)

General Provisions. The Special Obligation Resolution shall not be modified or amended in any respect except as provided therein. Nothing in the Special Obligation Resolution relating to the adoption of Supplemental Resolutions shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the Special Obligation Resolution relating to Events of Default and remedies or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which shall be delivered to said Fiduciary.

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Any Supplemental Resolution referred to and permitted or authorized by the Special Obligation Resolution may be adopted by the Authority without the consent of any of the Holders of any Bonds, but shall become effective only on the conditions, to the extent and at the time provided in the Special Obligation Resolution. The copy of every Supplemental Resolution filed with the Trustee shall be accompanied by a Bond Counsel's opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Special Obligation Resolution, is authorized or permitted by the Special Obligation Resolution, and is valid and binding upon the Authority provided that such Bond Counsel's opinion may take an exception on account of the laws of bankruptcy, reorganization and insolvency and of other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with general equitable principles.

The Trustee is authorized by the Special Obligation Resolution to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by the Special Obligation Resolution and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Bond Counsel's opinion) that such Supplemental Resolution is authorized or permitted by the provisions of the Special Obligation Resolution.

No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. (Section 1104)

Powers of Amendment. Except as otherwise provided in the Special Obligation Resolution, any modification or amendment of the Special Obligation Resolution or of the rights and obligations of the Authority and of the Holders of the Bonds under the Special Obligation Resolution may be made by a Supplemental Resolution, with the written consent given as provided in the Special Obligation Resolution, (i) of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in aggregate principal amount of the Bonds of the several Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Special Obligation Resolution. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any payment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of the Special Obligation Resolution, a Series shall be deemed to be affected by a modification or amendment of the Special Obligation Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of the Special Obligation Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. For the purposes of this paragraph, the Holders of the Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for immediate resale. (Section 1105)

Consent of Holders of Bonds. (a) The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the Special Obligation Resolution, to take effect when and as provided in the Special Obligation Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Holders of Bonds and published once in each week for three (3) successive weeks in Authorized Newspapers (but failure to mail or so publish such copy and request shall not affect the validity of the Supplemental Resolution when consented to as provided in this paragraph or paragraphs (b) or (c) below). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in the Special Obligation Resolution and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed in accordance with the provisions of the Special Obligation Resolution, is authorized or permitted and is valid and binding upon the Authority, and (ii) a notice shall have been published as provided in this paragraph or

paragraphs (b) or (c) below. The Authority may fix a record date for purposes of determining Holders of Bonds entitled to consent to a proposed Supplemental Resolution.

(b) Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bond or any bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof).

(c) At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that Holders of such required percentages of Bonds have filed their consents. Such written statement shall be conclusive evidence that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this paragraph (c) or paragraphs (a) or (b) above, shall be given to the Holders of Bonds by the Authority by mailing such notice to such Holders and, if at the time any of such Bonds is in coupon form payable to bearer, by publishing the same in the Authorized Newspapers in which the proposed Supplemental Resolution and form of consent were published at least once not more than ninety days after Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for above is filed. The Authority shall file with the Trustee proof of the giving of such notice. A record, consisting of the papers required or permitted by this paragraph (c) or paragraphs (a) or (b) above to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Bonds upon the filing with the Trustee of the proof of the giving of such last mentioned notice. (Section 1106)

Modifications by Unanimous Consent. Notwithstanding anything contained in the Special Obligation Resolution the terms and provisions of the Special Obligation Resolution and the rights and obligations of the Authority and of the Holders of Bonds may be modified or amended in any respect upon the adopting and filing of a Supplemental Resolution and the consent of the Holders of all Bonds then Outstanding, such consent to be given as provided in the Special Obligation Resolution except that no notice to the Holders of Bonds either by mailing or publication shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Bonds. (Section 1107)

Defeasance.

Manner of Effecting Defeasance. If, when the Bonds secured by the Special Obligation Resolution shall have become due and payable in accordance with their terms or otherwise as provided in the Special Obligation Resolution or shall have been duly called for redemption or irrevocable instructions to call the Bonds for redemption shall have been given by the Authority to the Trustee, the whole amount of the Debt Service so due and payable upon all of the Bonds then Outstanding shall be paid or sufficient moneys or Defeasance Obligations shall be held by the Trustee or the Paying Agents for such purpose, and provision shall also be made for paying all other sums payable under the Special Obligation Resolution by the Authority, then and in that case the right, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the Authority, shall release the Special Obligation Resolution and shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall turn over to the Authority or to such officer, board or body as may then be entitled by law to receive the same any surplus in any fund or account established under the Special Obligation Resolution except for the Rebate Fund and any account therein, and except for moneys held for redemption or payment of Bonds; otherwise Special Obligation Resolution shall be, continue and remain in full force and effect.

In the event Defeasance Obligations are deposited with the Trustee for the purpose of complying with paragraph above, the Special Obligation Resolution shall be released; provided, that if any of the Bonds are to be redeemed prior to the maturity thereof, notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice.

APPENDIX C

For purposes of determining whether Bonds bearing interest at a Variable Rate shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Obligations and moneys, if any, in accordance with the first paragraph above, the interest to come due on such Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Securities on deposit with the Trustee for the payment of interest on such Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Bonds in order to satisfy the first paragraph of this Section, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any lien or pledge securing the Bonds or otherwise existing under the Special Obligation Resolution.

Bonds subject to a Tender Option shall be deemed to have been paid in accordance with first paragraph of this Section only if, in addition to satisfying the other requirements therein, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any Tender Option provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to second paragraph of this Section, the Tender Options originally exercisable by the Holder of a Bond are no longer exercisable, such Bond shall not be considered a Bond subject to a Tender Option for purposes of this subsection. If any portion of the moneys deposited with the Trustee for the payment of the Debt Service on such Bonds is not required for such purpose the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Special Obligation Resolution.

If any Bonds shall be deemed paid and discharged pursuant to the provisions of the Special Obligation Resolution, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the registration books kept by the Bond Registrar on the date on which such Bonds are deemed paid or discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all Bonds of a particular Series are deemed paid and discharged, set forth a description of the obligations held pursuant to first paragraph of this Section and specify any date or dates on which any of the Bonds are to be called for redemption pursuant to notice of redemption given or irrevocable provisions made for such notice pursuant to first paragraph of this Section.

Notwithstanding any other provision in this Section, any reference to Bonds in this Section may refer to all Outstanding Bonds, all Outstanding Bonds in any Series or to all Outstanding Bonds of a stated maturity within any Series of Bonds, and the provisions set forth with respect to defeasance in the Special Obligation Bond Resolution may equally apply to all Outstanding Bonds, all Outstanding Bonds in any Series or to all Outstanding Bonds of a stated maturity within any Series of Bonds. (Section 1201)

THE MAINE TURNPIKE AUTHORITY

Financial Statements

For the Years Ended December 31, 2024 and 2023

THE MAINE TURNPIKE AUTHORITY

Financial Statements

For the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Maine Turnpike Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Maine Turnpike Authority, a component unit of the State of Maine, as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Maine Turnpike Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Maine Turnpike Authority as of December 31, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Maine Turnpike Authority for the year ended December 31, 2023. Those statements were audited by other auditors whose report dated March 14, 2024 expressed an unmodified opinion on those statements.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Maine Turnpike Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Maine Turnpike Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Maine Turnpike Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Maine Turnpike Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related the pension and OPEB liabilities be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maine Turnpike Authority's basic financial statements. The accompanying calculation of the composite debt service ratio and statement of activities are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the calculation of the composite debt service ratio and statement of activities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025, on our consideration of the Maine Turnpike Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Maine Turnpike Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Maine Turnpike Authority's internal control over financial reporting and compliance.



March 17, 2025
South Portland, Maine

THE MAINE TURNPIKE AUTHORITY

Management's Discussion and Analysis

December 31, 2024

The management of the Maine Turnpike Authority (the Authority) offers this narrative overview and analysis of the Authority's financial activities for the years ended December 31, 2024 and 2023. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. The information presented here should be read in conjunction with the Authority's basic financial statements.

Financial Highlights

Net operating income for the Maine Turnpike Authority was \$64,888,355 and \$82,273,436 for calendar years 2024 and 2023, respectively. The decrease in net operating income is mostly due to an increase in Preservation and Depreciation expenses, offset by an increase in Net Fare Revenue. Total Revenues increased 3.3% in 2024, which is mostly due to an increase in traffic of 4.5% over the prior year. The increase in Depreciation is due to the capitalization of nineteen plow truck setups, fifteen truck chassis, two traffic control trucks, a pothole patch truck, and the upgraded restroom facilities at the Litchfield maintenance area. The increase in Preservation Expense is due to an increase in pavement rehabilitation, bridge, and culvert repairs over the prior year.

Current year activity produced a change in net position of \$51,244,439 compared to \$66,605,114 for fiscal years 2024 and 2023, respectively. The term "net position" refers to the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. At the close of calendar year 2024, the Authority had a net position of \$609,999,577, an increase of 9% over calendar year 2023. At the close of calendar year 2023, the Authority's net position was \$558,755,138. The Authority's overall financial position has improved as shown by the increase in net position.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's financial statements are presented in a manner similar to a private-sector business and have been prepared according to accounting principles generally accepted (GAAP) in the United States. Revenues are recorded as they are earned and expenses are recorded as they are incurred, regardless of when cash is received or disbursed.

Basic Financial Statements

The statements of net position present information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position serve as a relative indicator of the change in financial position of the Authority.

The statements of revenues, expenses, and changes in net position show the result of the Authority's total operations during the fiscal year and reflects both operating and non-operating activities. Changes in net position reflect the fiscal period operating impact upon the overall financial position of the Authority.

Management Discussion and Analysis, *continued*

The statements of cash flows provide a detailed analysis of all sources and uses of cash. The direct method of cash flows is presented, ending with a reconciliation of operating income to net cash provided by operating activities.

The statements of cash flows are divided into the following activities: operating, capital and related financing, and investing.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and notes, this report also presents required supplementary information concerning infrastructure condition, the retiree healthcare plan, and information on the Authority's participation in the Maine Public Employer's Retirement System. Additionally, certain supplementary information concerning the Authority's debt service ratio, as defined by the bond resolution, is included.

Financial Analysis

Maine Turnpike Authority's Statements of Net Position

	December 31,	
	2024	2023
Assets and Deferred Outflows		
Current Assets	\$ 223,542,966	\$ 202,016,445
Capital Assets, Net of Accumulated Depreciation	1,004,309,680	975,108,978
Non-Current Assets	31,662,439	33,254,341
Non-Current Restricted Assets	31,442,750	68,598,988
Other Assets	124,920	145,470
Deferred Loss on Refunding Bonds	1,110,452	1,312,353
Deferred Outflows of Resources	6,205,078	5,095,625
Total Assets and Deferred Outflows	1,298,398,285	1,285,532,200
Liabilities and Deferred Inflows		
Current Liabilities	68,774,925	70,993,417
Bonds Payable, Net of Unamortized Premiums and Discounts, net of current position	528,237,871	556,661,635
Other Post Employment Benefits Liabilities	25,258,413	38,349,346
Other Non-current Liabilities	737,537	895,235
Net Pension (Asset)/Liability	11,427,851	9,066,685
Deferred Concession Lease Inflows	34,064,775	35,606,418
Deferred Inflows of Resources	19,897,337	15,204,325
Total Liabilities and Deferred Inflows	688,398,709	726,777,063
Net Position:		
Net Investment in Capital Assets	450,786,920	389,568,191
Restricted	192,819,489	209,120,195
Unrestricted (Deficit)	(33,606,832)	(39,933,248)
Total Net Position	609,999,577	558,755,138
Total Liabilities, Deferred Outflows and Net Position	\$ 1,298,398,285	\$ 1,285,532,200

Management Discussion and Analysis, *continued*

As noted earlier, net position serves as an indicator of the Authority's overall financial position. In the case of the Authority, assets and deferred outflows exceeded liabilities and deferred inflows by \$609,999,577 at the close of 2024. This represents an increase of \$51,244,439 (9%) over the net position balance of \$558,755,138 as of December 31, 2023.

The largest portion of the Authority's net position reflects its net investment in capital assets (e.g., right-of-way, roads, bridges, toll equipment, etc.), less any unamortized bond premiums, outstanding capital accounts payable and retainage, unamortized deferred loss and discounts and related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide service and consequently, these assets are not available for liquidating liabilities or for other spending. The net investment in Capital Assets was \$450,786,920 and \$389,568,191 as of December 31, 2024 and 2023, respectively.

In 2019, a joint agreement was made between the Maine Turnpike Authority, the MaineDOT and NHDOT regarding repairs needed to the Piscataqua River Bridge that connects the states of Maine and New Hampshire. This bridge serves as the primary gateway to the Maine Turnpike from the south. The rehabilitation included improving the outside shoulder to accommodate future traffic when functioning as a travel lane, paving the median and installing a concrete median barrier, paving and restriping the full width. The project began in the fall of 2019, and was completed in 2023. Software and other equipment that was installed as part of the project to help determine when the shoulder use is needed was operational by summer 2024. Since the Piscataqua River Bridge is jointly owned by the MaineDOT and the NHDOT, the Maine Turnpike Authority has no ownership interest in the bridge, therefore the Authority's share of the project cost was treated as a transfer of equity to the MaineDOT. The total transfer of equity to the MaineDOT was \$0 and \$29,285 in 2024 and 2023, respectively. As of December 31, 2024, the total amount of the transfer of equity to the MaineDOT, since the start of the project, was \$9,456,464. The MTA spent an additional \$3.7 million on communications for the bridge project, which brings the MTA's total project cost to \$13.2 million.

Restricted net position is reserved for projects defined in the bond resolutions and applicable bond issue official statements. The Authority's restricted net position was \$192,819,489 and \$209,120,195 as of December 31, 2024 and 2023, respectively. The decrease in the restricted net position is attributed to the payment of expenses related to the Exit 35 rebuild and potential Gorham Connector projects. Cash and Investment balances in the General Reserve Fund were designated as restricted and had balances of \$118 million and \$113 million as of December 31, 2024 and December 31, 2023, respectively. The unrestricted net position for the years ended December 31, 2024 and December 31, 2023 are negative due to the net pension and OPEB liabilities.

Management Discussion and Analysis, continued**The Maine Turnpike Authority's Changes in Net Position**

	For the Years Ended December 31,	
	2024	2023
Revenues:		
Net Fare Revenues	\$ 169,552,368	\$ 164,182,412
Concession Rentals	5,846,587	5,556,109
Investment Income	12,328,486	12,442,979
Miscellaneous	3,910,351	3,335,038
Total Revenues	191,637,792	185,516,538
Expenses (Income):		
Operations	26,658,870	26,321,134
Maintenance	38,867,249	38,689,458
Administrative	2,819,931	2,585,335
Depreciation	19,047,888	18,058,323
Preservation	36,295,170	14,345,509
Interest Expense	22,734,203	23,751,078
Other	(6,029,958)	(4,839,413)
Total Expenses	140,393,353	118,911,423
Change in Net Position	51,244,439	66,605,114
Net Position, beginning of year	558,755,138	492,179,308
Equity Transfers - MaineDOT	-	(29,285)
Net Position, end of year	\$ 609,999,577	\$ 558,755,138

The Authority's net fare revenues, which represent approximately 95% of all operating revenues, increased \$5,369,956 (3.3%) in 2024. The increase is due to an increase in traffic of 4.5% over the prior year. The capital program in 2024 included the completion of final pavement layer for the Portland Area Widening southbound lanes, Poland Spring Road/Route 122 bridge replacement, Litchfield maintenance restroom renovation project, the purchase of nineteen plow truck setups, fifteen truck chassis, other heavy-duty equipment. The Authority continues construction to reopen the old interchange at Exit 35, which will allow travelers improved access to route 112. Preservation expenses increased \$21,949,661 (153%) in 2024 due to increased spending related to pavement rehabilitation, bridge, and culvert repairs.

Management Discussion and Analysis, *continued*

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets as of December 31, 2024 amounted to \$1,164,238,994 of gross asset value with accumulated depreciation of \$159,929,314, leaving a net book value of \$1,004,309,680. Capital assets include right-of-way, roads, bridges, buildings, equipment and vehicles. Please see Note 3 of the financial statements for a schedule of changes in the Authority's capital assets.

Capital asset acquisitions are capitalized at cost. Acquisitions are funded through debt issuance and Authority revenues.

In 2024, the Portland Area Widening project (between miles 44 and 49) southbound lanes received the final pavement layer, and the northbound lanes will have the final pavement layer applied in 2025. In 2024, the Poland Spring Road/Route 122 Bridge project was completed by replacing the old bridge with a new one. The MTA completed the restroom renovation project located at the Litchfield maintenance facility. Construction to redesign the current Exit 36 in Saco began in 2023 along with the construction of the new Exit 35 northbound and southbound toll plazas and ramps continue with an expected completion date in late 2025. In 2024, there was significant investment in new heavy-duty vehicles to update the MTA's aging plow truck fleet. The MTA is in the process of consolidating plow truck chassis manufacturers to become more efficient in the purchasing of truck parts by needing less manufacturer brand parts on hand.

Last summer, the Authority paused the Gorham Connector project and announced in March 2025 that it has engaged MaineDOT to take the lead in a comprehensive effort to identify transportation solutions for persistent traffic congestion west of Portland. This decision follows feedback from the public and civic leaders who have called for a broader, more holistic, and multimodal approach to addressing the region's mobility challenges. As part of this effort, MaineDOT will review past mobility studies – including recent efforts involving the proposed Gorham Connector – and update them to reflect current commuting patterns, community growth trends, and land use developments.

Modified Approach for Infrastructure Assets

The Maine Turnpike Authority has elected to use the modified approach to infrastructure reporting. This means that, in lieu of reporting depreciation on infrastructure, the Authority reports the costs associated with maintaining the existing asset in good condition as preservation expense. Infrastructure assets include: roads, bridges, interchanges, tunnels, right of way, drainage, guard rails, and lighting systems associated with the road. Pursuant to its bond covenants, the Authority maintains a reserve maintenance fund for these preservation expenses. For fiscal 2024, \$36,295,170 was spent for preservation compared to an estimated cost of \$40,991,515.

In accordance with Section 806 of the Bond Resolution dated May 1, 1991, the General Engineering Consultant is required to inspect the Turnpike at least once per year and submit to the Authority a report. The results of the 2024 inspection states that the Maine Turnpike has been maintained in generally good condition and presents a favorable appearance, which is the same assessment the Authority received in 2023.

Management Discussion and Analysis, *continued*

Long-term Debt

The Authority has outstanding bonds payable of \$475,610,000 and \$19,395,000 for revenue and special obligation bonds, excluding unamortized bond discounts and premiums. Please see Note 6 of the financial statements for the annual principal payment requirements on revenue and special obligation bonds as of December 31, 2024.

The Authority has a bond cap, set by the Legislature, on the amount of revenue bonds that can be outstanding at any given time. As of December 31, 2024, the Maine Turnpike Authority has a bond cap of \$600 million for general turnpike projects and a \$150 million bond cap for the Gorham Connector project. As of December 31, 2024, outstanding bonds were \$473,297,000, leaving \$126,703,000 available under the cap for *general* turnpike projects. As of December 31, 2024, outstanding bonds were \$2,313,000, leaving \$147,687,000 available under the cap for the Gorham Connector project.

The Authority's current bond ratings are as follows:

Fitch	AA-
Moody's	Aa3
Standard & Poor's	AA-

In 2024, Fitch reviewed the Authority's finances and the agency affirmed the Authority's ratings and gave a stable outlook. In February 2025, Moody's reviewed the Authority's finances and the agency affirmed the Authority's ratings and gave a stable outlook. Standard & Poor's last performed their review in December 2022.

Debt Service Reserve Fund

The general bond resolution requires the Authority to fund the Debt Service Reserve Requirement with cash and investments or with a surety policy or letter of credit.

Currently, the Debt Service Reserve requirement is approximately \$22,196,264, which is fifty percent of maximum annual debt service (MADS). The debt service reserve requirement is fully funded with cash. The Authority has approximately \$4,871,000 of surety bonds in place, however it is rated lower than the Authority's bond ratings and therefore do not count towards the Debt Service Reserve requirement.

Please see Note 7 of the Financial Statements for more discussion of the Debt Service Reserve Fund.

Budgetary Controls

Each year the Maine Turnpike Authority presents their Operating, Reserve Maintenance and Capital budgets to the Transportation Committee of the Maine Legislature. Ultimately, the Legislature has approval and oversight of the Operating budget.

Management Discussion and Analysis, *continued*

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Maine Turnpike Authority, 2360 Congress Street, Portland, ME 04102; or email your questions to info@maineturnpike.com.

STATEMENTS OF NET POSITION

	December 31,	
	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and Equivalents	\$ 16,701,513	\$ 32,034,597
Investments - Short-term	14,771,900	-
Restricted Cash and Equivalents to meet current restricted liabilities	79,504,419	55,479,362
Restricted Investments - Short-term	98,515,653	100,810,519
Accounts Receivable and Accrued Interest Receivable	7,620,452	7,336,022
Concession Lease Receivable	2,340,314	2,285,803
Inventory	1,629,956	1,869,173
Other - Current Assets	2,458,759	2,200,968
Total Current Assets	223,542,966	202,016,445
Non-Current Assets:		
Concession Lease Receivable Long-term	31,662,439	33,254,341
Restricted Assets		
Cash and Equivalents	18,548,594	67,470,766
Investments - Long-term	12,045,889	-
Accounts Receivable and Accrued Interest Receivable	848,267	1,128,222
Total Restricted Assets	31,442,750	68,598,988
Other Assets		
Prepaid Bond Insurance - Net	124,920	145,470
Total Other Assets	124,920	145,470
Capital Assets not being Depreciated:		
Land and Infrastructure	815,245,992	799,867,456
Construction in Progress	58,253,152	33,914,057
Capital Assets net of Accumulated Depreciation:		
Property and Equipment	130,810,536	141,327,466
Total Capital Assets - Net of Accumulated Depreciation	1,004,309,680	975,108,978
Total Non-Current Assets	1,067,539,789	1,077,107,777
TOTAL ASSETS	1,291,082,754	1,279,124,221
Deferred Outflows of Resources:		
Deferred Loss on Refunding Bonds	1,110,452	1,312,353
Deferred Pension Outflows	4,821,198	3,010,461
Deferred Other Post Employment Benefit Outflows	1,383,880	2,085,164
Total Deferred Outflows of Resources	7,315,530	6,407,978
Total Assets and Deferred Outflows of Resources	\$ 1,298,398,285	\$ 1,285,532,200

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF NET POSITION, *continued*

	December 31,	
	2024	2023
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities Payable from Unrestricted Assets:		
Accounts, Contracts and Retainage Payable	\$ 6,093,882	\$ 5,818,050
Accrued Salary, Vacation and Sick Leave Payable	4,603,330	4,776,712
Unearned Fare Revenue	15,769,876	14,975,780
Unearned Concession Rentals	-	351,860
Total Current Liabilities Payable from Unrestricted Assets	26,467,088	25,922,402
Current Liabilities Payable from Restricted Assets:		
Accounts, Contracts and Retainage Payable	8,533,218	11,931,441
Accrued Salary, Vacation and Sick Leave Payable	572,636	520,885
Bond Interest Payable	11,110,414	11,623,789
Current Portion of Revenue Bonds and Subordinated Debt Payable	21,710,000	20,535,000
Other Current Liabilities	381,569	459,900
Total Current Liabilities Payable from Restricted Assets	42,307,836	45,071,015
Total Current Liabilities	68,774,925	70,993,417
Non-current Liabilities:		
Long-term Revenue Bonds and Subordinated Debt Payable	528,237,871	556,661,635
Other Post Employment Benefits Liabilities	25,258,413	38,349,346
Net Pension Liability	11,427,851	9,066,685
Other Non-current Liabilities	737,537	895,235
Total Non-current Liabilities	565,661,671	604,972,901
Total Liabilities	634,436,597	675,966,319
Deferred Inflows of Resources:		
Deferred Concession Lease Inflows	34,064,775	35,606,418
Deferred Pension Inflows	1,508,327	2,402,290
Deferred Other Post Employment Benefit Inflows	18,389,010	12,802,035
Total Liabilities and Deferred Inflows of Resources	688,398,709	726,777,063
Net Position:		
Net Investment in Capital Assets	450,786,920	389,568,191
Restricted	192,819,489	209,120,195
Unrestricted (Deficit)	(33,606,832)	(39,933,248)
Total Net Position	609,999,577	558,755,138
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,298,398,285	\$ 1,285,532,200

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For the Years Ended December 31,	
	2024	2023
REVENUES		
Operating Revenue:		
Net Fare Revenues	\$ 169,552,368	\$ 164,182,412
Concession Rentals	5,846,587	5,556,109
Miscellaneous	3,910,351	3,335,038
Total Operating Revenues	179,309,305	173,073,558
Interest Income		
Revenue Fund	1,532,706	1,428,001
Reserve Maintenance Fund	1,955,843	3,347,439
Improvement Account	4,108,790	2,679,950
Interchange Account	1,585,083	1,663,812
Maine Department of Transportation Account	85,736	80,435
Total Interest Income	9,268,158	9,199,637
Total Operating Revenues and Interest Income	188,577,463	182,273,195
EXPENSES		
Operating Expenses:		
Operations	26,658,870	26,321,134
Maintenance	38,867,249	38,689,458
Administration	2,819,931	2,585,335
Depreciation	19,047,888	18,058,323
Reserve Maintenance - Preservation	36,295,170	14,345,509
Total Operating Expenses	123,689,108	99,999,759
Net Operating Income	64,888,355	82,273,436
Non-Operating Revenue/(Expenses):		
Investment Income	3,060,328	3,243,342
Gain / (Loss) on Sale and Disposal of Capital Assets	95,648	(95,823)
Interest Expense	(22,734,203)	(23,751,078)
Bond Insurance Amortization	(20,550)	(20,550)
Bond Premium/Discount Amortization	6,713,764	7,265,125
Deferred Loss on Refunding Amortization	(201,900)	(201,900)
General Reserve Expense	(557,004)	(2,107,438)
Total Non-Operating Revenue/(Expenses)	(13,643,916)	(15,668,322)
Change in Net Position	51,244,439	66,605,114
Net Position at beginning of year	558,755,138	492,179,308
Equity Transfers - MaineDOT	-	(29,285)
Net Position at end of year	\$ 609,999,577	\$ 558,755,138

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2024	2023
Operating Activities:		
Cash Received from Tolls/Customers	\$ 217,773,707	\$ 210,663,556
Cash Payments to Suppliers	(117,679,525)	(95,585,646)
Cash Payments to Employees	(30,774,284)	(28,025,141)
Net Cash Provided by Operating Activities	69,319,897	87,052,769
Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(53,862,595)	(54,462,786)
Interest Paid on Revenue Bonds	(22,328,528)	(23,263,028)
Payment of Principal on Revenue Bonds	(19,010,000)	(18,690,000)
Interest Paid on Subordinated Debt Bonds	(919,050)	(991,550)
Payment of Principal on Special Obligation Bonds	(1,525,000)	(1,450,000)
Net Cash Used in Capital and Financing Activities	(97,645,173)	(98,857,363)
Cash Payments made for the Piscataqua River Bridge Repairs	-	(1,767,645)
Investing Activities:		
Purchase of Investments	(80,393,253)	(47,448,683)
Proceeds from Sales and Maturities of Investments	56,900,000	30,299,436
Interest Received	11,588,329	12,174,626
Net Cash Provided by Investing Activities	(11,904,924)	(4,974,620)
Net Decrease in Cash and Equivalents	(40,230,200)	(18,546,858)
Cash and Equivalents at Beginning of Year	154,984,725	173,531,584
Cash and Equivalents at End of Year	\$ 114,754,525	\$ 154,984,725
Cash and Equivalents - Unrestricted	\$ 16,701,513	\$ 32,034,597
Restricted Cash and Equivalents - Current	79,504,419	55,479,362
Restricted Cash and Equivalents - Non-Current	18,548,594	67,470,766
	\$ 114,754,525	\$ 154,984,725

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS, *continued*

	For the Years Ended December 31,	
	2024	2023
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:		
Income from Operations	\$ 64,888,355	\$ 82,273,436
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:		
Depreciation	19,047,888	18,058,323
Interest Income Included in Operating Revenue	(9,268,158)	(9,199,637)
OPEB/Pension Adjustment to Income	(7,146,208)	(3,945,960)
Changes in Assets and Liabilities:		
Accounts Receivable	(39,395)	(238,634)
Prepaid Accounts	(257,791)	(114,700)
Inventory	239,218	(362,917)
Accounts, Contracts and Retainage Payable	1,533,889	(960,440)
Unearned Toll and Concession Revenue	442,236	1,092,736
Accrued Salary, Vacation and Sick Leave Payable	(120,136)	450,561
Net Cash Provided by Operating Activities	\$ 69,319,897	\$ 87,052,769

The accompanying notes are an integral part of these financial statements.

THE MAINE TURNPIKE AUTHORITY

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures

Reporting Entity – The Maine Turnpike Authority (the Authority) is a body corporate and politic created by an act of the Legislature of the State of Maine, Chapter 69 of the Private and Special Laws of 1941 as amended, authorized and empowered to construct, maintain and operate a turnpike at such a location as shall be approved by the State Highway Commission and to issue turnpike revenue bonds of the Authority, payable solely from revenues of the Authority. Under the provisions of the Act, turnpike revenue bonds and interest thereon shall not be deemed debt or liability or a pledge of the faith and credit of the State of Maine.

During 1982, the Legislature of the State of Maine, Chapter 595 of the Public Laws of the State of Maine 1982, authorized an act to amend the Maine Turnpike Authority Statutes. This act states that the Maine Turnpike Authority shall continue in existence until such a time as the Legislature shall provide for termination and all outstanding indebtedness of the Authority shall be repaid or an amount sufficient to repay that indebtedness shall be set aside in trust.

In evaluating the Authority as a reporting entity, management has addressed all potential component units for which the Authority may be financially accountable and, as such, should be included within the Authority's financial statements. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 61, the Authority is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority. Additionally, the Authority is required to consider other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on the application of these criteria, there are no other entities that should be included as part of these financial statements.

Under these standards, the Authority is considered to be a component unit of the State of Maine.

Basis of Accounting – The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (standards and interpretations), constitute GAAP for governmental units. GAAP also includes guidance from the American Institute of Certified Public Accountants in the publication entitled, State and Local Governments. The Authority prepares its financial statements using the economic resources management focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States for governmental proprietary funds, which are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating activity. Operating revenues arise from providing goods or services to outside parties for a fee. The intent of the governing body is that the operating costs, including administration and depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures, *continued*

user charges. Revenues and expenses that are not derived directly from operations are reported as non-operating revenues and expenses.

Operating Revenues and Expenses – The Authority’s operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its System. Operating revenues for fares are recognized as the vehicles pass through the toll system. Prepayments on account are recorded as unearned fare revenue. Concession rental income is recognized based on the terms of the rental agreements. Net fare revenue is net of credit card fees of \$3,625,336 and \$3,443,947 for 2024 and 2023, respectively.

Non-operating Revenues – Non-operating revenues consists of the amortization of bond premiums and discounts realized on previously issued debt, investment income earned and non-operating accounts and gains or loss from the sale of capital assets.

Interest Income on Operating Accounts – Interest income generated from on-going operations is included in operating revenue.

Cash and Equivalents – For purposes of the statements of cash flow, demand deposit accounts with commercial banks, and cash invested in short-term investments with original maturities of three months or less from the date of acquisition are considered cash equivalents.

Investments – Investments are carried at fair value. Accrued interest paid upon the purchase of investments is recognized as interest income in the period it is earned.

Fair Value Measurements - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Authority uses various methods, including market, income and cost approaches. Based on these approaches, the Authority often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Authority utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Authority is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures, *continued*

- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Authority performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Accounts Receivable – Accounts receivable consists primarily of toll revenues due from commercial accounts and other tolling agencies. The Authority obtains surety bonds to cover commercial accounts receivable. Management believes that the accounts receivable balance of \$7,542,080 and \$7,245,651 as of December 31, 2024 and 2023 respectively, are fully collectable. Therefore, no allowance for doubtful accounts was recorded.

Inventory – Inventory consists of EZ Pass transponders, salt and fuel for MTA vehicles. The EZ Pass transponders will be sold to customers and are valued using the First-In First-Out (FIFO) method. Salt and vehicle fuel, to be used in operations, are valued using a weighted average method. Inventory items are carried at the lower of cost or net realizable value. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

Other Assets – Expenses that benefit more than one reporting period are charged to Prepaid Expenses and expensed over its service period. Examples include insurance premiums, software site licenses and service contracts.

Restricted Assets – Restricted assets of the Authority represent bond proceeds designated for construction, and other monies required to be restricted for debt service, operations, maintenance, renewal and replacement.

Capital Assets – All capital assets are recorded on the balance sheet at historical cost. Capital assets are included in one of the following categories: Infrastructure; Land and Land Improvements; Buildings; Vehicles; Toll System; Computer and Other Equipment; Intangible Assets; and Construction in Progress.

Costs to acquire additional capital assets, and to replace existing assets or otherwise prolong their useful lives, are capitalized for toll equipment, buildings, toll facilities, other related costs and furniture and equipment. The Authority has elected to use the modified approach to infrastructure reporting. This means that, in lieu of reporting depreciation on infrastructure, the Authority reports as preservation expense the costs associated with maintaining the existing road in good condition. Infrastructure assets include roads, bridges, interchanges, tunnels, right of way, drainage, guardrails, and lighting systems associated with the road.

Notes to Financial Statements, *continued*

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures, *continued*

Depreciation of toll equipment, buildings, toll facilities, other related costs, signs, software and furniture and equipment is computed using the straight-line method, using the full-month convention, over the estimated useful lives of the assets as follows:

Buildings	30 – 50 years
Building Improvements	15 – 20 years
Land Improvements (exhaustible)	15 years
Toll Equipment	5 – 10 years
Furniture and Fixtures	5 – 15 years
Software	3 – 10 years
Computers, Printers and IT Equipment	3 – 5 years
Other Equipment (incl. Vehicles)	5 – 20 years

The following minimum capitalization thresholds for capitalizing fixed assets are as follows:

Land and Improvements (non-exhaustible)	\$ 1
Land Improvements (exhaustible)	5,000
Buildings and Improvements	25,000
Machinery/Equipment/Vehicles	5,000
Computers, Printers & IT Equipment	5,000
Software	10,000
Infrastructure	100,000

Under the modified approach, infrastructure assets are considered to be “indefinite lived” assets; that is, the assets themselves will last indefinitely and are, therefore, not depreciated. Costs related to maintenance, renewal and replacement for these assets are not capitalized, but instead are considered to be period costs and are included in preservation expense.

Construction in Progress represents costs incurred by the Authority for in-process activities designed to expand, replace, or extend the lives of existing property and equipment.

GASB 87 Lease Accounting

The Authority does not have any lease obligations as a lessee.

The Authority is a lessor in several noncancelable operating leases. If the contract provides the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Lease receivable assets and deferred inflow of resources are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term.

The lease receivable is initially and subsequently recognized based on the present value of its future lease receipts. Variable payments are included in the future lease receipts when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease income in the future period in which they are incurred.

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures, *continued*

The Authority recognizes interest revenue on the lease receivable, and an inflow of resources (lease revenue) from the deferred inflow of resources in a systematic and rational manner over the term of the leases.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the Authority's incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, the Authority uses the incremental borrowing rate based on the information available at the commencement date for all leases. The Authority's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

For all underlying classes of assets, the Authority has elected to not recognize lease receivable assets and deferred inflow of resources for short-term leases that have a lease term of 12 months or less at lease commencement. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Authority recognizes short-term lease cost on a straight-line basis over the lease term.

The Authority made an accounting policy election for the building facilities to not separate the lease components of a contract and its associated non-lease components, such as lessor-provided maintenance and other services.

The Authority monitors changes in circumstances that would require remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Retainage Payable – Retainage payable represents amounts billed to the Authority by contractors for which payment is not due pursuant to retained percentage provisions in construction contracts until substantial completion of performance by contractor and acceptance by the Authority.

Accrued Vacation and Sick Leave Payable – Accrued vacation and sick leave payable includes accumulated vacation pay and vested sick pay.

Accrued Salaries Payable – Accrued salaries payable includes salary and wage expense incurred at the end of the period but not paid until the following period, which amounted to \$313,570 and \$806,361 for the years ended December 31, 2024 and 2023, respectively, and are included on the statement of net position under Accrued Salary, Vacation and Sick Leave Payable.

Unearned Toll Revenue – The Authority offers a prepaid balance program which allows patrons to carry a balance on their account for future toll expenses. This balance is reduced by each trip through the tolls and can be increased by the patron at any time but also includes a minimum balance set by the Authority. The Authority offers a Volume Discount Plan for passenger vehicles for which revenue is earned based on the vehicle passing through the toll system. Any amount remaining in the patrons account is accounted for as unearned revenue.

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures, *continued*

Bond Premium, Discount and Issuance Costs – Bond premiums and discounts associated with the issuance of bonds are amortized using the effective interest rate method over the life of the bonds. Bond issuance costs such as bond insurance are amortized using the straight-line method over the life of the bonds. Other bond issuance costs, such as consulting, legal and underwriter fees are expensed in the period they are incurred.

Refunded Bonds – The Authority defeased certain bonds in 2014, 2015 and 2022 by placing cash received from the advanced refunding into an irrevocable escrow account to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's balance sheets.

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has three items that qualifies for reporting in this category. The first is a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two items are the deferred outflows related to the pension liability and the deferred outflows related to the other postemployment benefits liability, each of which are more fully disclosed in the footnotes.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources recognized on the statement of net position and balance sheet relate to the net pension liability, and the other postemployment liability, each of which are more fully disclosed in the footnotes.

Lease-related amounts are recognized at the inception of leases in which the Authority is the lessor. The deferred inflow of resources is initially recorded in an amount equal to the corresponding lease receivable. The inflow of resources is recognized in a systematic and rational manner of the term of the lease.

Use of Estimates – The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Use of Restricted/Unrestricted Net Position – When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the Authority's policy is to apply restricted net position first.

Notes to Financial Statements, *continued*

Note 2 – Deposits and Investments

Deposits

Custodial Credit Risk-Authority Deposits: For deposits, custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2024, the Authority reported deposits of \$526,716 with bank balances of \$2,585,492. The entire balance of \$2,585,492 was covered by the F.D.I.C. As of December 31, 2023, the Authority reported deposits of \$977,553 with bank balances of \$728,490. The entire balance of \$728,490 was covered by the F.D.I.C.

Investments

At December 31, 2024, the Authority had the following investments and maturities:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>More Than 5 Years</u>
Money Market	\$ 172,043,513	\$ 172,043,513	\$ -	\$ -
U.S. Government Securities	64,815,795	52,893,863	11,921,933	-
Federated Treasury Obligation Fund	2,701,943	2,701,943	-	-
Total Investments	\$ 239,561,251	\$ 227,639,319	\$ 11,921,933	\$ -

At December 31, 2023, the Authority had the following investments and maturities:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>More Than 5 Years</u>
Money Market	\$ 242,993,992	\$ 242,993,992	\$ -	\$ -
U.S. Government Securities	9,018,673	9,018,673	-	-
Federated Treasury Obligation Fund	2,805,028	2,805,028	-	-
Total Investments	\$ 254,817,693	\$ 254,817,693	\$ -	\$ -

Notes to Financial Statements, continued**Note 2 – Deposits and Investments, continued**

Deposits and investments are as follows:

	2024	2023
Deposits	\$ 526,716	\$ 977,551
Investment	239,561,252	254,817,693
Total Deposits and Investments	\$ 240,087,968	\$ 255,795,244

Deposits and investments have been reported as follows in the financial statements:

	2024	2023
Cash and Equivalents	\$ 16,701,513	\$ 32,034,597
Current Restricted Cash and Equivalents	79,504,419	55,479,362
Noncurrent Restricted Cash and Equivalents	18,548,594	67,470,766
Unrestricted Investments - Short-term	14,771,900	-
Restricted Investments - Short-term	98,515,653	100,810,519
Restricted Investments - Long-term	12,045,889	-
Total Deposits and Investments	\$ 240,087,968	\$ 255,795,244

Fair Value

Fair Values of Assets measured on a recurring basis at December 31 are as follows:

	Total	Level 1	Level 2	Level 3
December 31, 2024				
Cash Equivalents	\$ 526,716	\$ 526,716	\$ -	\$ -
Money Market	172,043,513	172,043,513	-	-
U.S. Government Securities	64,815,795	64,815,795	-	-
Federated Treasury Obligations Fund	2,701,943	2,701,943	-	-
	\$ 240,087,967	\$ 240,087,967	\$ -	\$ -

	Total	Level 1	Level 2	Level 3
December 31, 2023				
Cash Equivalents	\$ 977,551	\$ 977,551	\$ -	\$ -
Money Market	242,993,992	242,993,992	-	-
U.S. Government Securities	9,018,673	9,018,673	-	-
Federated Treasury Obligations Fund	2,805,028	-	2,805,028	-
	\$ 255,795,244	\$ 252,990,216	\$ 2,805,028	\$ -

There were no assets classified as Level 2 or Level 3 as of December 31, 2024. There were no assets classified as Level 3 as of December 31, 2023.

Note 2 – Deposits and Investments, *continued*

Interest Rate Risk: The Authority's policy for investment rate risk is as follows: Portfolio maturities will provide for stability of income and reasonable liquidity; liquidity will be assured through practices ensuring that the next disbursement date is covered through maturities to be staggered to avoid undue concentration in a specific maturity sector.

Maturities selected will provide investments or marketable securities which can be sold to raise cash in a day's notice without loss of principal; and, risks of market price volatility will be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest on investment income received from the balance of the portfolio.

Credit Risk: Maine statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies and repurchase agreements. The Authority does not have a formal policy related to credit rate risk. The Federal Treasury Obligations Fund is a money market fund and is rated AAAM by Standard & Poor's. U.S. Government securities are invested in treasury bills and notes with a credit rating of AA+ by Standard & Poor's.

Custodial credit risk: investments – For investments, this is the risk that in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Authority is authorized to invest in: obligations of the U.S. government and its agencies provided they are full faith and credit obligations fully insured or collateralized certificates of deposit at commercial banks and savings and loan associations, repurchase agreements collateralized by U.S. Treasury or Agency securities; and money market mutual funds whose portfolios consist of government securities.

The Authority collateralizes money market accounts that exceed FDIC insurance limits with a letter of credit. At December 31, 2024, \$6,270,472 of money market accounts were not insured or collateralized. All balances were insured or collateralized at December 31, 2023.

The Authority's investment policy is to attain a market rate of return considered reasonable under generally accepted market principles throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio thus ensuring prudent use of public funds and preservation of the public's trust. The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. All security transactions, including collateral for repurchase agreements, entered into by the MTA shall be conducted on a "delivery vs. payment" basis. Securities will be held by a third-party custodian, or Trust Department designated by the Executive Director, CFO, or Director of Finance and evidenced by safekeeping receipts.

Notes to Financial Statements, *continued*

Note 3 – Capital Assets

A Summary of changes to capital assets for the year ended December 31, 2024 is as follows:

	Balance 12/31/2023	Additions	Transfers	Disposals	Balance 12/31/2024
Capitalized Assets Not Being Depreciated (cost)					
Land	\$ 132,121,431	1,530,544	1,107,186	-	134,759,161
Infrastructure	667,746,025	-	12,985,628	(244,822)	680,486,831
Construction in Progress	33,914,057	39,628,650	(15,289,554)	-	58,253,153
Total Capital Assets Not Being Depreciated	833,781,513	41,159,194	(1,196,740)	(244,822)	873,499,144
Capitalized Assets Being Depreciated (cost)					
Land Improvements (exhaustible)	44,581,942	-	168,621	-	44,750,563
Buildings	96,090,357	206,140	561,549	-	96,858,046
Machinery and Equipment	145,536,065	7,239,799	466,570	(4,111,193)	149,131,241
Total Capital Assets Being Depreciated	286,208,364	7,445,939	1,196,740	(4,111,193)	290,739,850
Less Accumulated Depreciation for:					
Land Improvements (exhaustible)	(17,448,567)	(2,426,743)	-	-	(19,875,310)
Buildings	(43,215,092)	(3,078,289)	-	-	(46,293,381)
Machinery and Equipment	(84,217,239)	(13,542,856)	-	3,999,472	(93,760,623)
Total Accumulated Depreciation	(144,880,898)	(19,047,888)	-	3,999,472	(159,929,314)
Total Capital Assets Being Depreciated, net	141,327,466	(11,601,949)	1,196,740	(111,721)	130,810,536
Total Capital Assets	\$ 975,108,978	29,557,245	-	(356,543)	1,004,309,680

A Summary of changes to capital assets for the year ended December 31, 2023 is as follows:

	Balance 12/31/2022	Additions	Transfers	Disposals	Balance 12/31/2023
Capitalized Assets Not Being Depreciated (cost)					
Land	\$ 106,325,769	1,755,045	24,040,617	-	132,121,431
Infrastructure	622,570,971	-	45,426,439	(251,385)	667,746,025
Construction in Progress	71,156,534	48,535,551	(85,778,028)	-	33,914,057
Total Capital Assets Not Being Depreciated	800,053,274	50,290,596	(16,310,972)	(251,385)	833,781,513
Capitalized Assets Being Depreciated (cost)					
Land Improvements (exhaustible)	41,502,647	-	3,079,295	-	44,581,942
Buildings	89,209,780	-	7,020,348	(139,771)	96,090,357
Machinery and Equipment	134,085,225	7,129,929	6,211,328	(1,890,417)	145,536,065
Total Capital Assets Being Depreciated	264,797,652	7,129,929	16,310,972	(2,030,188)	286,208,364
Less Accumulated Depreciation for:					
Land Improvements (exhaustible)	(15,053,258)	(2,395,309)	-	-	(17,448,567)
Buildings	(40,479,033)	(2,867,677)	-	131,618	(43,215,092)
Machinery and Equipment	(73,284,369)	(12,795,337)	-	1,862,468	(84,217,239)
Total Accumulated Depreciation	(128,816,660)	(18,058,323)	-	1,994,085	(144,880,898)
Total Capital Assets Being Depreciated, net	135,980,991	(10,928,395)	16,310,972	(36,103)	141,327,466
Total Capital Assets	\$ 936,034,265	39,362,201	-	(287,488)	975,108,978

Notes to Financial Statements, *continued*

Note 4 – Letter of Credit

The Authority has a \$40 million letter of credit with Bangor Savings Bank which expires on December 31, 2025. It is secured under the General Resolution solely by the Authority's Revenues (as defined therein) on a subordinated basis to the Authority's outstanding bonds and additional bonds to be issued on a senior basis, all in accordance with the Resolution. There was no outstanding balance on the letter of credit as of December 31, 2024 and 2023.

Note 5 – Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by any unamortized bond premiums, outstanding capital accounts payable and retainage, unamortized deferred loss and discounts and related outstanding debt used to acquire those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Authority's net investment in capital assets was calculated as follows:

	Years Ended December 31,	
	2024	2023
Total Capital Assets	\$ 1,164,238,994	\$ 1,119,989,877
Less: Accumulated Depreciation	(159,929,314)	(144,880,898)
Net Carrying Value of Capital Assets	1,004,309,680	975,108,978
Less:		
Revenue Bonds	(475,610,000)	(494,620,000)
Special Obligation Bonds	(19,395,000)	(20,920,000)
Unamortized Revenue Bond Premium	(54,467,963)	(61,072,875)
Unamortized Special Obligation Bond Premium	(524,298)	(644,765)
Outstanding Capital Accounts Payable & Retainage	(4,685,342)	(9,656,505)
Plus:		
Unamortized Deferred Loss on the Refunding of Revenue Bonds	1,110,452	1,312,353
Unamortized Revenue Bond Discount	49,390	61,005
Net Investment in Capital Assets	\$ 450,786,920	\$ 389,568,191

Note 6 – Long-term Debt

A summary of changes in the Authority's total long-term liabilities for the year ended December 31, 2024 are as follows:

Non-current Liabilities	12/31/2023	Additions	Reductions	12/31/2024	Due within one year
Bonds Payable					
Revenue Bonds	\$494,620,000	-	(\$19,010,000)	\$475,610,000	\$20,110,000
Special Obligation Bonds	20,920,000	-	(1,525,000)	19,395,000	1,600,000
Premium	61,656,635	-	(6,713,766)	54,942,871	-
Total Bonds Payable	577,196,635	-	(27,248,766)	549,947,871	21,710,000
Compensated Absences	4,489,588	367,959	-	4,857,547	4,857,547
Worker's Compensation	1,355,135	-	(236,030)	1,119,105	381,569
Net Pension Liability	9,066,685	2,361,166	-	11,427,851	-
Net OPEB Liability	38,349,346	-	(13,090,933)	25,258,413	-
Total Non-Current Liabilities	\$630,457,389	\$2,729,125	(\$40,575,729)	\$592,610,787	\$26,949,116

Notes to Financial Statements, *continued*

Note 6 – Long-term Debt, *continued*

Revenue Bonds Payable

The Authority issues revenue bonds from time to time for the purpose of financing capital improvements and new projects. As of December 31, 2024, the Authority had the following outstanding bonds:

- \$144,875,000 of Series 2015 Revenue Refunding Bonds, issued in April 2015. The proceeds from the bonds were used to refund the principal amounts of the Series 2005 Bonds maturing in the years 2016 through 2030; Series 2007 Bonds maturing in the years 2025 through 2035; and Series 2009 Bonds maturing 2020 through 2038.
- \$150,000,000 of Series 2018 Revenue Bonds, issued in February 2018, to pay a portion of the costs of various turnpike projects.
- \$130,000,000 of Series 2020 Revenue Bonds, issued in November 2020, to pay a portion of the costs of the Gorham Connector project as well as various turnpike projects.
- \$102,340,000 of Series 2022 Refunding Revenue Bonds, issued in April 2022. The proceeds from the bonds were used to advance refund the principal amounts of the Series 2012A and Series 2012B maturing in the years 2023 through 2042, in the outstanding principal amount of \$124,900,000.

Interest on all bonds is payable semi-annually on January 1st and July 1st of each year. The bonds will mature on July 1st in the years and principal amounts noted below:

Issue	Amount Issued	Maturity Date	Interest Rate	Balance 12/31/2024
Series 2015	\$ 144,875,000	7/1/2020 - 2038	2.00-5.00%	\$ 110,650,000
Series 2018	150,000,000	7/1/2024 - 2047	4.00-5.00%	146,545,000
Series 2020	130,000,000	7/1/2026 - 2050	3.00-5.00 %	130,000,000
Series 2022	102,340,000	7/1/2023 - 2042	4.00-5.00 %	88,415,000
Total Revenue Bonds Payable				\$ 475,610,000

Notes to Financial Statements, continued**Note 6 – Long-term Debt, continued****Revenue Bonds Payable, continued**

Requirements for the repayment of the outstanding revenue bonds are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2025	\$20,110,000	\$21,378,028	\$41,488,028
2026	24,020,000	20,372,528	44,392,528
2027	25,220,000	19,171,528	44,391,528
2028	26,370,000	18,015,528	44,385,528
2029	27,445,000	16,938,708	44,383,708
2030-2034	105,085,000	68,668,430	173,753,430
2035-2039	93,030,000	45,051,200	138,081,200
2040-2044	81,645,000	27,021,000	108,666,000
2045-2049	64,535,000	9,600,050	74,135,050
2050	8,150,000	361,750	8,511,750
Totals	\$475,610,000	\$246,578,750	\$722,188,750

A summary of changes in revenue bonds is as follows:

<u>Issue</u>	<u>12/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2024</u>
Series 2014	\$1,625,000	-	(1,625,000)	-
Series 2015	119,435,000	-	(8,785,000)	110,650,000
Series 2018	150,000,000	-	(3,455,000)	146,545,000
Series 2020	130,000,000	-	-	130,000,000
Series 2022	93,560,000	-	(5,145,000)	88,415,000
Totals	\$494,620,000	-	(19,010,000)	475,610,000

Notes to Financial Statements, continued**Note 6 – Long-term Debt, continued****Special Obligation Bonds Payable**

- \$27,555,000 of Series 2014 Special Obligation Bonds, issued in July 2014, to purchase a section of Interstate 95 in Kittery extending approximately 1.9 miles from the current southern end of the Turnpike to the abutment of the bridge over the Piscataqua River at the New Hampshire Border. This Kittery segment of the Interstate was maintained by the Authority under contract with Maine DOT and the Authority was reimbursed for the costs associated with upkeep of this section of the Interstate.

<u>Issue</u>	<u>Amount Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 12/31/2024</u>
Series 2014	\$27,555,000	7/1/2019 - 2034	3.00-5.00 %	\$19,395,000

Requirements for the repayment of the outstanding special obligation bonds are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2025	\$1,600,000	\$842,800	\$2,442,800
2026	1,680,000	762,800	2,442,800
2027	1,730,000	712,400	2,442,400
2028	1,820,000	625,900	2,445,900
2029	1,875,000	566,750	2,441,750
2030-2034	10,690,000	1,522,650	12,212,650
Totals	\$19,395,000	\$5,033,300	\$24,428,300

A summary of changes in special obligation bonds is as follows:

<u>Issue</u>	<u>12/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2024</u>
Series 2014	\$20,920,000	\$ -	(\$1,525,000)	\$19,395,000

Notes to Financial Statements, *continued*

Note 6 – Long-term Debt, *continued*

Changes in Revenue and Special Obligation long-term liability for the year ended December 31, 2024, were as follows:

Bond Type	12/31/2023	Additions	Reductions	12/31/2024	Due within one year
Revenue Bonds	\$494,620,000	-	(\$19,010,000)	\$475,610,000	\$20,110,000
Special Obligation Bonds	20,920,000	-	(1,525,000)	19,395,000	1,600,000
Subtotal	515,540,000	-	(20,535,000)	495,005,000	21,710,000
Adjustment for Premium / Discounts	61,655,909	-	(6,713,766)	54,942,145	-
Total	\$577,195,909	\$ -	(\$27,248,766)	\$549,947,143	\$21,710,000

Changes in Revenue and Special Obligation long-term liability for the year ended December 31, 2023, were as follows:

Bond Type	12/31/2022	Additions	Reductions	12/31/2023	Due within one year
Revenue Bonds	\$513,310,000	-	(\$18,690,000)	\$494,620,000	\$19,010,000
Special Obligation Bonds	22,370,000	-	(1,450,000)	20,920,000	1,525,000
Subtotal	535,680,000	-	(20,140,000)	515,540,000	20,535,000
Adjustment for Premium / Discounts	68,921,758	-	(7,265,125)	61,656,633	-
Total	\$604,601,758	\$0	(\$27,405,125)	\$577,196,633	\$20,535,000

Note 7 – Debt Service Reserve Fund

The general bond resolution requires the Authority to fund the Debt Service Reserve Requirement with cash and investments or with a surety policy or letter of credit. In order to satisfy this requirement in the past, the Authority acquired surety policies issued by Financial Security Assurance, Inc (FSA) and AMBAC Assurance Corporation. Currently, the Authority has one surety in place:

Debt Service Reserve Fund Surety Policy Provider	Series Availability	Termination Date	Maximum Amount
Ambac	All Turnpike Revenue Bonds	July 1, 2030	\$ 4,871,359

In 2008, as a result of the sub-prime mortgage crisis, AMBAC was downgraded significantly and did not maintain ratings by Moody's and S&P at least equal to the ratings on the Authority's outstanding revenue bonds.

Notes to Financial Statements, *continued*

Note 7 – Debt Service Reserve Fund, *continued*

As a result, while still in effect, this surety no longer qualifies under the general bond resolution to meet the Debt Service Reserve Fund requirement.

Currently, the Debt Service Reserve requirement is \$22,196,264, which is one half of maximum annual debt service (MADS), the same as it was in 2023. The debt service reserve fund is currently 100% funded with cash and investments.

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan

Plan Descriptions

The Authority contributes to the Maine Public Employees Retirement System, as part of the PLD Consolidated Plan (the Plan) which is a cost sharing multiple employer defined benefit pension plan. The Plan was established as the administrator of a public employee retirement system under the Laws of the State of Maine. The PLD Plan covers 336 participating employers. The Authority's full-time and permanent part-time employees are eligible to participate in the Plan.

Benefit terms are established by Maine statute, in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the Plan and periodically makes recommendations to the legislature to amend them. The Plan's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD Plan members, normal retirement age is 60 for members hired before July 1, 2014. Normal retirement age is 65 for members hired on or after July 1, 2014. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The Plan also provides disability and death benefits which are established by statute for State employee members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the Plan's Board of Trustees and is currently 3.88%.

For the years ended December 31, 2024 and 2023, the total covered payroll was \$28,033,449 and \$27,079,768, respectively for the PLD Plan. Covered payroll refers to all compensation paid by the Authority to active employees covered by the Plan.

Notes to Financial Statements, *continued*

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

Contributions

The contribution requirements of the PLD Plan members are defined by law or the Plan's Board. Employees of the Authority are required to contribute 6.75% or 7.50% of covered compensation to the PLD Plan, depending on the date they were hired. The contributions are deducted from the employee's wages or salary and remitted by the Authority to the Plan on a monthly basis. Employer contribution rates are determined through actuarial valuations. The Authority's required contribution rate for the years ended December 31, 2024 and 2023, was 9.9% and 10.2% respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority's contributions to the Plan for the years ended December 31, 2024 and 2023 were \$3,153,146 and \$2,984,261, respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2024 and 2023, the Authority reported a liability of \$11,427,851 and \$9,066,685, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of these dates. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the Authority's proportion was 2.86%, which was an increase of 0.02% from its proportion measured as of June 30, 2023. At June 30, 2023, the Authority's proportion was 2.84%, which was a decrease of 0.35% from its proportion measured as of June 30, 2022.

For the years ended December 31, 2024 and 2023, the Authority recognized pension expense of \$2,531,969 and \$2,699,321, respectively. At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 3,391,733	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on Plan investments	-	1,188,202
Changes in proportion and differences between contributions and proportionate share of contributions	28,878	320,125
Contributions subsequent to the measurement date	1,400,587	-
Total	\$ 4,821,198	\$ 1,508,327

Notes to Financial Statements, *continued*

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

December 31, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 1,683,242	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on Plan investments	-	1,538,567
Changes in proportion and differences between contributions and proportionate share of contributions	-	863,723
Contributions subsequent to the measurement	<u>1,327,219</u>	<u>-</u>
Total	<u>\$ 3,010,461</u>	<u>\$ 2,402,290</u>

The \$1,400,587 of deferred outflows of resources as of December 31, 2024, resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. The \$1,327,219 of deferred outflows of resources as of December 31, 2023, resulting from the Authority's contribution subsequent to the measurement date were recognized as a reduction of the net position liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense, (addition or (reduction) to expense) as follows:

Years ending December 31,

2025	(\$484,902)
2026	2,785,804
2027	(158,375)
2028	<u>(230,245)</u>
Total	<u>\$1,912,282</u>

Notes to Financial Statements, *continued*

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	PLD Plan 2.75%, per annum
Salary increases	PLD Plan 2.75% - 11.48%, per year
Investment rate of return	PLD Plan 6.50%, per annum, compounded annually

Mortality rates were based on the 2010 Public Plan General Benefits-weighted Healthy Retiree Mortality table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2024 valuation was based on the results of an actuarial experience study for the periods of July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation %	Long-term Expected Real Rate of Return
Public Equities	30.0%	5.6%
U.S. Government	10.0%	2.2%
Private Equity	12.5%	7.2%
Real Assets:		
Real Estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.1%
Traditional Credit	5.0%	2.7%
Alternative Credit	10.0%	6.4%
Diversifiers	7.5%	4.8%
	100.0%	

Notes to Financial Statements, *continued*

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for the PLD Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	Discount Rate	Authority's proportionate share of net pension (asset)liability
1% decrease	5.500%	\$28,554,101
Current discount rate	6.500%	11,427,851
1% increase	7.500%	(2,682,214)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Maine Public Employees Retirement System financial report.

Note 9 – Leases

The Authority, as a lessor, has entered into the following lease agreements. In 2006, the Authority entered into lease agreements with HMS Host and CN Brown to operate its five service plazas on the Turnpike. The Authority entered into the arrangements as a means to provide services to users of the Turnpike in a more efficient, cost-effective manner. In July 2021, HMS Host sold its toll concession business to Applegreen. Applegreen, based in the Republic of Ireland, assumed all rights, obligations and liabilities of HMS Host under the operating agreement and will continue to operate under the Applegreen name. The lease agreement with CN Brown provides for contingent rent based on sales.

On July 7, 2020, the Authority entered into a lease agreement with Nautilus Solar that provided Nautilus Solar a land use easement on land owned by the Authority in Sanford, Maine so Nautilus Solar could build and operate

Notes to Financial Statements, *continued*

Note 9 – Leases continued

a solar farm. Lease payments by Nautilus Solar to the Authority would not commence until the Commercial Operation Date which occurred in November 6, 2024.

In April 2023 the Authority renewed their lease agreement with Maine Crafts Association for an area located in the Authority's West Gardiner Service Plaza. The lease agreement is contingent based on gross sales, however, also provide a guaranteed minimum rent of \$800 per month from April 1, 2023 through March 31, 2028.

Contingent rent for Applegreen is 20% of sales for years 1-10, 21% of sales for years 11-20 and 22% of sales for years 21-30. Contingent rent for CN Brown is based on the gallons of gasoline and diesel fuel sold at a fuel rent factor of 8 cents per gallon, adjusted upward each year for the Consumer Price Index Change that exceeds 2%, plus 10% of the sales of other products, plus 5% of the sales of tobacco products and plus 2% of the amount received from the Lottery Commission. The Authority has retained the right to approve the activities of the lessees and also has established limits to the prices that can be charged to customers. Contingent rent for the Maine Crafts Association is 2% on all gross sales exceeding \$500,000, and 4% on all gross sales exceeding \$600,000.

The lease agreement with Applegreen requires \$8 million of capital improvements to be paid for by Applegreen, consisting of leasehold improvements, equipment and furnishings as approved by the Authority. \$4 million of these improvements must be incurred prior to December 31, 2017 and the remaining \$4 million must be incurred prior to December 31, 2027. If the required amount of \$8 million has not been reinvested by Applegreen by the end of the term, then the remainder of the sum shall be rebated to the Authority in cash. Prior to the December 31, 2017 requirement date, Applegreen did invest in excess of \$4 million dollars in the facilities.

The lease agreement with Nautilus Solar requires them to pay the Authority \$800 per acre for the 40.289 acres, that is being used for the solar farm, annually, in quarterly payments beginning with the Commercial Operation Date, which occurred on November 6, 2024. The term of the lease is thirty years and includes a two percent rent escalator on each year's anniversary.

The following table discloses information related to the revenue earned and balance sheet components related to GASB 87.

December 31, 2024:

Lease	Lease Revenue	Variable Lease Revenue	Interest Income	Total Income	Lease Receivable	Accrued Interest Receivable	Deferred Inflow of Resources
Applegreen	\$ 2,282,263	\$ 1,299,653	\$767,741	\$ 4,349,657	\$33,225,840	\$ 62,022	\$33,287,863
CN Brown	-	1,484,725	-	1,484,725	-	-	-
Maine Crafts Association	7,792	2,605	1,808	12,205	28,501	-	28,501
Nautilus Solar	-	-	-	-	748,412	-	748,412
Totals	\$ 2,290,055	\$ 2,786,983	\$769,549	\$ 5,846,587	\$34,002,753	\$ 62,022	\$34,064,776

Notes to Financial Statements, *continued*

Note 9 – Leases, continued

December 31, 2023:

Lease	Lease Revenue	Variable Lease Revenue	Interest Income	Total Income	Lease Receivable	Accrued Interest Receivable	Deferred Inflow of Resources
Applegreen	\$ 2,231,755	\$ 1,057,391	\$ 818,249	\$ 4,107,395	\$ 35,503,851	\$ 66,274	\$ 35,570,126
CN Brown	-	1,435,232	-	1,435,232	-	-	-
Maine Crafts Association	8,157	3,882	1,443	13,482	36,293	-	36,293
Totals	\$ 2,239,912	\$ 2,496,505	\$ 819,692	\$ 5,556,109	\$ 35,540,144	\$ 66,274	\$ 35,606,419

Note 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Participating Local District Consolidated Plan – Retiree Group Life Insurance

General Information

Plan description. Employees are provided with OPEB through the Participating Local District Consolidated Plan – Retiree Group Life Insurance (PLD Plan), a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MainePERS). State of Maine Statutes grants the authority to establish and amend the benefit terms to the MainePERS Board of Trustees. MainePERS issues a publicly available financial report that can be obtained at www.mainepers.org.

Benefits provided. The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retirees' average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions. Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. PLD employers are required to remit a premium of \$0.48 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.48 per \$1,000 of coverage per month during the postemployment retired period. Contributions to the retiree OPEB plan from the Authority were \$48,000 and \$41,700 for the years ended December 31, 2024 and December 31, 2023 actuarial valuations. Employees are not required to contribute to the OPEB plan.

Note 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024 and 2023, the Authority reported a liability of \$905,820 and \$1,110,952, respectively for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2024 and June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of these dates. The Authority's proportion of the collective net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Authority's proportion was 8.188%, which was a slight increase from its proportion measured as of June 30, 2023, which was 8.142%.

For the years ended December 31, 2024 and 2023, the Authority recognized OPEB expense (benefit) of \$13,992 and \$104,821, respectively. The Authority's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 9,922	\$ 54,608	\$ 19,732	\$ 8,695
Changes of Assumptions	38,503	123,442	54,293	245,485
Net Difference Between Projected and Actual Earnings on Plan Investments	-	69,577	35,760	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	21,985	22,692	28,690	35,724
Contributions Subsequent to the Measurement Date	61,322	-	54,245	-
Total	\$131,732	\$270,319	\$192,720	\$289,904

Of the total amount reported as deferred outflows of resources related to OPEB as of December 31, 2024, \$61,322 resulting from Authority contributions subsequent to the measurement date will be included as a reduction of the collective net OPEB liability in the year ending December 31, 2025. Of the total amount reported as deferred outflows of resources related to OPEB as of December 31, 2023, \$54,245 resulting from Authority contributions subsequent to the measurement date was included as a reduction of the collective net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Authority's OPEB expense, as follows:

Notes to Financial Statements, continued**Note 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued****Participating Local District Consolidated Plan – Retiree Group Life Insurance, continued****Year Ended December 31,**

2025	(\$152,437)
2026	35,225
2027	(37,084)
2028	(38,623)
2029	(6,991)
Total	<u>(\$199,910)</u>

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75% - 11.48% including inflation
Investment rate of return	6.50% per annum, compounded annually
Healthcare cost trend rates	Not applicable to the group life insurance plan

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2024 valuation was based on the results of an actuarial experience study for the period from July 1, 2015 through June 30, 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. Those ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetical rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equities	70%	5.6%
Real Estate	5%	5.2%
Traditional Credit	16%	2.7%
US Government Securities	9%	2.2%

Note 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Participating Local District Consolidated Plan – Retiree Group Life Insurance, *continued*

The discount rate used to measure the total OPEB liability for the PLD Plan was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarily determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Authority's proportionate share of the collective net OPEB liability to changes in the discount rate. The following presents the Authority's proportionate share of the collective net OPEB liability, as well as what the Authority's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Authority's Proportionate Share of the Collective Net OPEB Liability	\$1,341,175	\$905,820	\$555,714

Retiree Group Health Insurance Plan

General Information

Plan description. In addition to providing pension benefits, the Authority provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees receive 100% paid health benefit coverage, Anthem POS plan until age 65 or Medicare Advantage plan at the age of 65. The Authority paid approximately \$1,124,187 and \$1,322,226 of insurance contributions for approximately 288 retirees for the years ended December 31, 2024 and 2023 respectively. Benefit provisions are established and amended through negotiations between the Authority and the respective unions.

The Authority does not issue a separate financial report for its OPEB as the Authority does not fund an OPEB plan and operates on a pay-as-you-go basis. Employers fund their own benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided. The Health Plan provides healthcare and life insurance benefits for retirees and their dependents. Authority employees with 1 year of continuous service and health plan participation at retirement are eligible to participate in the Health Plan. Retirees who are not eligible for Medicare retain coverage in the same group health plan as active employees. Retirees must pay for Medicare Part B coverage to be eligible to participate in the State-sponsored employer funded Companion Plan.

Notes to Financial Statements, *continued*

Note 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Retiree Group Health Insurance Plan, *continued*

Plan Membership. At December 31, 2024, the following were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	288
Active Employees	337
Total	625

Total OPEB Liability

The Authority's total OPEB liability of \$24,352,593 was measured as of December 31, 2024 and \$37,238,394 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

General inflation of 2.50% was used along with an aggregate payroll increase of 2.75%. Merit payroll increases, mortality, termination, disability and retirement assumptions relied on the 2015-2020 experience study. Mortality rates were based on the fully generational with adjust Society of Actuaries Scale MP-2020. Healthcare cost trends are projected to increase 5.50% TO 6.90% through 2026, then decrease proportionately to an ultimate rate of 3.45% in 2076.

The discount rate at December 31, 2024 and 2023 was 4.08% and 3.26%, respectively and was based on high quality AA/Aa or higher bond yields in effect for 20-year, tax exempt general obligation municipal bonds using the Bond Buyer 20-Bond Index.

Notes to Financial Statements, *continued*

Note 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Retiree Group Health Insurance Plan, *continued*

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study, conducted by the MainePERS Consolidated Plan for Participating Local Districts, for the period July 1, 2015 through June 30, 2020.

Changes in the Total OPEB Liability

	December 31, 2024	December 31, 2023
Balance as of beginning of year	\$ 37,238,394	\$ 34,818,516
Changes for the Year:		
Service Cost	956,082	837,226
Interest	1,219,712	1,293,984
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(11,133,761)	-
Changes in Assumptions of Other Inputs	(2,367,835)	2,031,129
Benefit Payments	(1,559,999)	(1,742,461)
Net Changes	(12,885,801)	2,419,878
Balance as of end of year	<u>\$24,352,593</u>	<u>\$37,238,394</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.26% in 2023 to 4.08% in 2024.

Sensitivity of the total OPEB liability to changes in the discount rate.

The following table shows how the total OPEB liabilities would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for the Health Plan is 4.08%.

	1% Decrease (3.08%)	Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB Liability	\$27,289,169	\$24,352,593	\$21,893,450

Notes to Financial Statements, *continued*

Note 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Retiree Group Health Insurance Plan, *continued*

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following table shows how the total OPEB liabilities would change if the healthcare rate used was one percentage point lower or one percentage point higher than the current rate of 5.50% to 6.90%.

	1% Decrease (4.50% - 5.90%)	Discount Rate (5.50% - 6.90%)	1% Increase (6.50% - 7.90%)
Total OPEB Liability	\$21,719,884	\$24,352,593	\$27,550,715

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2024 and 2023, the Authority recognized an OPEB credit of \$5,078,945 and \$2,140,100, respectively. At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31, 2024		December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ -	\$ 12,599,315	\$ -	\$ 6,754,606
Changes of Assumptions	1,252,147	5,519,376	1,892,443	5,757,524
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-	-	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	-	-	-	-
Contributions Subsequent to the Measurement Date	-	-	-	-
Total	\$ 1,252,147	\$ 18,118,691	\$ 1,892,443	\$ 12,512,130

Notes to Financial Statements, *continued*

Note 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Retiree Group Health Insurance Plan, *continued*

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,

2025	(\$6,540,115)
2026	(5,298,855)
2027	(2,327,254)
2028	(2,700,320)
Total	<u>(\$16,866,544)</u>

Note 11 – Union Contract

In December 2023, the Authority signed a three-year contract with the Maine State Employees Association (MSEA), which expires at the end of 2026.

Note 12 – Commitments and Contingencies

The Authority is a defendant in various lawsuits. Although the outcomes of the lawsuits are not presently determinable, it is the belief of the Authority's legal counsel that any settlement or damages assessed would be covered by insurance, and therefore should not have a material adverse effect on the Authority's financial condition.

Future commitments on outstanding construction projects for improvements and maintenance totaled approximately \$43,223,675 and \$78,412,156 as of December 31, 2024 and December 31, 2023, respectively.

Due to changes to enabling legislation in 2011, the Authority is potentially obligated to provide 5% of its annual operating revenues to the Maine Department of Transportation (MaineDOT). The Authority has incurred and expects to continue to incur significant expenses from construction projects that will be of mutual benefit to MaineDOT and accordingly has met its obligation to MaineDOT.

Notes to Financial Statements, *continued*

Note 13 – Risk Management

The Authority is exposed to various risks of loss related to theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Authority is insured through various commercial insurance carriers. As required by the Authority's contract with its bondholders, the Authority's consulting engineer certifies each year that insurance limits and coverage adequately protect the properties, interests, and operations of the Authority. Claims expenditure, liabilities and reserves are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The Authority is self-insured for its workers' compensation liability. The program provides coverage for up to a maximum of \$1,000,000 for each workers' compensation claim and \$25,000,000 in the aggregate. In addition, the Authority purchases excess workers' compensation insurance to limit its financial risk. The Authority is responsible for claims made up to \$750,000 per covered claim. Reserves are estimated at one hundred percent of expected expenditures. Settled claims have not exceeded the commercial coverage in any of the past three years.

The following summarizes the claims activity with respect to the Authority's self-insured workers' compensation program:

	<u>2024</u>	<u>2023</u>
Unpaid Claims as of January 1	\$1,355,135	\$1,558,905
Incurred Claims / Claim Resolutions	56,432	207,093
Total Claim Payments	<u>292,461</u>	<u>410,863</u>
Current Claims Liability	381,569	459,900
Long-term Claims Liability	<u>737,537</u>	<u>895,235</u>
Total Unpaid Claims Liability	<u>\$1,119,106</u>	<u>\$1,355,135</u>

Note 14 – MaineDOT Equity Transfers

In 2019, a joint agreement was made between the Maine Turnpike Authority, the MaineDOT and NHDOT regarding repairs needed to the Piscataqua River Bridge that connects the states of Maine and New Hampshire. This bridge serves as the primary gateway to the Maine Turnpike from the south. The rehabilitation included improving the outside shoulder to accommodate future traffic when functioning as a travel lane, paving the median and installing a concrete median barrier, paving and restriping the full width. The project began in the fall of 2019, and was completed in 2023. Software and other equipment that was installed as part of the project to help determine when the shoulder use is needed will be operational by summer 2024. Since the Piscataqua River Bridge is jointly owned by the MaineDOT and the NHDOT, the Maine Turnpike Authority has no ownership interest in the bridge, therefore the Authority's share of the project cost was treated as a transfer of equity to the MaineDOT. The total transfer of equity to the MaineDOT was \$0 and \$29,285 in 2024 and 2023, respectively. As of December 31, 2024, the total amount of the transfer of equity to the MaineDOT, since the start of the project, was \$9,456,464. The MTA spent an additional \$3.7 million on communications for the bridge project, which brings the MTA's total project cost to \$13.2 million.

REQUIRED SUPPLEMENTARY INFORMATION

Trend Data on Infrastructure Condition

The Authority has elected to use the modified approach to infrastructure reporting under GASB 34. The Authority's consulting engineers are required to make an inspection at least once a year of the Turnpike, and, on or before the first day of October of each year, to submit to the Authority a report setting forth (a) their findings whether the Turnpike has been maintained in good repair, working order and condition, (b) their advice and recommendations as to the proper maintenance, repair and operation of the Turnpike during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes, (c) their advice and recommendations as to the amounts and types of insurance to be carried, and (d) their recommendations as to the amount that should be deposited into the Reserve Maintenance Fund during the upcoming Fiscal Year.

In accordance with Section 806 of the Bond Resolution dated May 1, 1991, the General Engineering Consultant is required to inspect the Turnpike at least once per year and submit to the Authority a report. The Authority's policy is to maintain the roadway in generally good condition or better. The results of the past three inspections are listed below.

Inspection Condition Assessments:

Date	Condition Assessment
October 17, 2024	The Maine Turnpike has been maintained in generally good condition and presents a favorable appearance.
October 19, 2023	The Maine Turnpike has been maintained in generally good condition and presents a favorable appearance.
October 13, 2022	The Maine Turnpike has been maintained in generally good condition and presents a favorable appearance.

The budget to actual expenditures for Preservation for the past five years are as follows:

Preservation Expense

	Budget	Actual
2024	\$40,991,515	\$36,295,170
2023	\$10,683,045	\$14,345,509
2022	\$11,990,500	\$12,907,360
2021	\$9,663,500	\$8,619,174
2020	\$10,224,055	\$10,728,790

REQUIRED SUPPLEMENTARY INFORMATION, *Continued*

**Maine Turnpike Authority
Schedule of Changes in Net OPEB Liability and Related Ratios -
MTA Group Health Insurance Plan
December 31, 2024**

Total OPEB liability

Year	Service Cost	Interest	Changes in Benefit Terms	Differences Between Expected and Actual Experience	Changes Of Assumptions Or Other Inputs	Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability - Ending	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll	Discount Rate Used
2024	\$ 956,082	\$ 1,219,712	\$ -	\$ (11,133,761)	\$ (2,367,835)	\$ (1,559,999)	\$ (12,885,801)	\$ 24,352,593	\$ 25,935,237	93.9%	4.08%
2023	837,226	1,293,984	-	-	2,031,129	(1,742,461)	2,419,878	37,238,394	25,353,486	146.9%	3.26%
2022	1,876,074	1,125,785	-	(10,208,144)	(10,022,356)	(1,453,037)	(18,681,678)	34,818,516	21,705,322	160.4%	3.72%
2021	1,794,435	1,118,493	-	-	450,450	(1,655,665)	1,707,713	53,500,194	22,037,718	242.8%	2.06%
2020	1,874,329	1,589,027	-	(8,013,182)	1,131,136	(1,816,398)	(5,235,088)	51,792,481	21,457,868	241.4%	2.12%
2019	1,333,533	1,909,232	-	-	9,430,003	(1,756,589)	10,916,179	57,027,569	22,682,162	251.4%	2.74%
2018	1,500,957	1,704,318	-	-	(4,198,762)	(1,876,608)	(2,870,095)	46,111,391	20,878,892	220.9%	4.10%

Notes to schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10 year trend is completed, the Authority presents information for those years of which information is available.

REQUIRED SUPPLEMENTARY INFORMATION, *Continued*

Group Term Life Healthcare Plan

Maine Turnpike Authority
Schedule of Proportionate Share of Net OPEB Liability - Group Life Insurance
Maine Public Employees Retirement System
December 31, 2024

Year Ended	Authority's Proportion of the Collective Net OPEB Liability	Authority's Proportionate Share of the Collective Net OPEB Liability	State's Proportionate Share of the Collective Net OPEB Liability	Total Collective Net OPEB Liability	Authority's Covered Payroll	Authority's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	Discount Rate
Dec. 31, 2024	8.19%	\$ 905,820	\$ -	\$ 905,820	\$ 28,033,449	3.23%	67.88%	6.50%
Dec. 31, 2023	8.14%	1,110,952	-	1,110,952	27,079,768	4.10%	59.71%	6.50%
Dec. 31, 2022	8.21%	1,188,481	-	1,188,481	24,939,837	4.77%	55.88%	6.50%
Dec. 31, 2021	8.27%	853,433	-	853,433	23,840,322	3.58%	67.30%	6.50%
Dec. 31, 2020	8.08%	1,065,776	-	1,065,776	25,350,467	4.20%	55.40%	6.75%
Dec. 31, 2019	8.35%	1,785,923	-	1,785,923	23,673,818	7.54%	43.18%	4.98%
Dec. 31, 2018	8.15%	1,645,671	-	1,645,671	22,811,303	7.21%	43.92%	5.13%
Dec. 31, 2017	8.14%	1,361,435	-	1,361,435	22,246,620	6.12%	47.42%	4.00%

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10 year trend is completed, the Authority presents information for those years of which information is available.

Maine Turnpike Authority
Schedule of OPEB Contributions - Group Life Insurance
Maine Public Employees Retirement System
December 31, 2024

Year Ended	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Authority's Covered Payroll	Contributions as a Percentage of Covered Payroll
Dec. 31, 2024	\$ 48,000	\$ 48,000	\$ -	\$ 28,033,449	0.17%
Dec. 31, 2023	41,700	41,700	-	27,079,768	0.15%
Dec. 31, 2022	42,600	42,600	-	24,939,837	0.17%
Dec. 31, 2021	38,600	38,600	-	23,840,322	0.16%
Dec. 31, 2020	36,000	36,000	-	25,350,467	0.14%
Dec. 31, 2019	34,000	34,000	-	23,673,818	0.14%
Dec. 31, 2018	31,300	31,300	-	22,811,303	0.14%
Dec. 31, 2017	33,000	33,000	-	22,246,620	0.15%

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10 year trend is completed, the Authority presents information for those years of which information is available.

REQUIRED SUPPLEMENTARY INFORMATION, *Continued*

**Maine Turnpike Authority
Schedule of Proportionate Share of Net Pension Liability
Maine Public Employees Retirement System
December 31, 2024**

Maine Public Employee Retirement System

Fiscal Year	Valuation Date	Authority's Proportion of the Net Pension Liability(Asset)	Authority's Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Authority's Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Discount Rate
2024	07/01/2024	\$ 11,427,851	2.8552%	\$ 28,033,449	40.77%	91.06%	6.50%
2023	07/01/2023	9,066,685	2.8414%	27,079,768	33.48%	92.34%	6.50%
2022	07/01/2022	8,484,970	3.1918%	24,939,837	34.02%	93.26%	6.50%
2021	07/01/2021	(1,102,845)	3.4318%	23,840,322	N/A	100.90%	6.50%
2020	07/01/2020	15,351,264	3.8638%	25,350,467	60.56%	88.35%	6.75%
2019	07/01/2019	11,437,656	3.7419%	23,673,818	48.31%	90.60%	6.75%
2018	07/01/2018	10,611,572	3.8774%	22,811,303	46.52%	91.14%	6.75%
2017	07/01/2017	16,098,398	3.9318%	22,246,620	72.36%	86.43%	6.88%
2016	07/01/2016	20,031,423	3.7701%	20,397,862	98.20%	81.61%	6.88%
2015	07/01/2015	12,529,254	3.9271%	19,263,547	65.04%	88.27%	7.13%

**Maine Turnpike Authority
Schedule of Contributions
Maine Public Employees Retirement System
December 31, 2024**

Maine Public Employee Retirement System

Fiscal Year	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2024	07/01/2024	\$ 3,153,146	\$ 3,153,146	\$ -	\$ 28,033,449	11.25%
2023	07/01/2023	2,984,261	2,984,261	-	27,079,768	11.02%
2022	07/01/2022	2,738,485	2,738,485	-	24,939,837	10.98%
2021	07/01/2021	2,582,038	2,582,038	-	23,840,322	10.83%
2020	07/01/2020	2,738,995	2,738,995	-	25,350,467	10.80%
2019	07/01/2019	2,545,495	2,545,495	-	23,673,818	10.75%
2018	07/01/2018	2,391,982	2,391,982	-	22,811,303	10.49%
2017	07/01/2017	2,285,861	2,285,861	-	22,246,620	10.28%
2016	07/01/2016	2,034,516	2,034,516	-	20,397,862	9.97%
2015	07/01/2015	1,739,777	1,739,777	-	19,263,547	9.03%

OTHER SUPPLEMENTARY INFORMATION

Calculation of the Composite Debt Service Ratio, as Defined by the Bond Resolutions and Related Documents (000's)

	Years Ended December 31st,	
	2024	2023
Revenues:		
Net Fare Revenue	\$ 169,552	\$ 164,182
Concession Rental	5,847	5,556
Investment Income ¹	11,352	11,327
Miscellaneous	3,910	3,335
Total Revenues	\$ 190,661	\$ 184,400
Expenses:		
Operations	26,659	26,321
Maintenance	18,294	17,504
Administrative	2,820	2,585
Total Expenses	\$ 47,773	\$ 46,410
Net Operating Revenues	\$ 142,888	\$ 137,990
Debt Service Payments ²	41,339	41,953
Reserve Maintenance Fund Deposit	40,000	40,000
MDOT Account / Sub Debt Fund Deposit	2,444	2,442
Other General Reserve Fund Deposits	\$ 59,105	\$ 53,595
Debt Service Ratio of Net Revenues to Debt Service ³	3.46	3.29

Note: Revenues and expenses are presented on this schedule on the accrual basis in accordance with accounting principles generally accepted in the United States. Certain amounts included on the Statements of Revenues, Expenses, and Changes in Net Position are not part of the net revenues, as defined, and therefore excluded from this schedule.

¹ Capital fund and Rebate Fund earnings are not included in investment income, consistent with the Maine Turnpike Revenue Bond Resolution.

² Represents Debt Service Deposits, net of capitalized interest, on the outstanding Revenue Bonds only.

³ Net Revenues divided by Debt Service. The Bond Resolution requires a minimum ratio of 2.0.

OTHER SUPPLEMENTARY INFORMATION, *Continued*

Statement of Activities for the State of Maine General Purpose Financial Statements (000's)

For the year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues				Net Revenue (Expense) and Changes to Net Position
		Charges for Services	Program Investment Income	Operating Grants and Contrib.	Capital Grants/ Contrib.	
						Total
Governmental Activities	-	-	-	-	-	-
Subtotal Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities:						
THE MAINE TURNPIKE AUTHORITY	140,393	169,552	-	-	-	29,159
Subtotal Business-type Activities	140,393	169,552	-	-	-	29,159
Total	\$ 140,393	\$ 169,552	\$ -	\$ -	\$ -	\$ 29,159
General Revenues:						
Unrestricted Interest and Investment Earnings						12,328
Non program Specific Grants, Contrib. & Approp.						-
Miscellaneous Income						9,757
Extraordinary Item						-
Total General Revenues and Extraordinary Items						22,085
Change in Net Position						51,244
Net Position, Beginning of the Year						558,755
Prior Period Adjustments						-
Net Position, End of the Year						\$ 610,000

This schedule is strictly used by the State of Maine for the purpose of component unit reporting.

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THE DEPOSITORY TRUST COMPANY

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and the Book-Entry System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority or the Trustee.

Beneficial ownership in the Bonds will be available to Beneficial Owners (as described below) only by or through DTC Participants via a book-entry system (the “**Book-Entry System**”) maintained by DTC.

DTC and Its Participants

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity of Bonds, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the Book-Entry System must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners.

APPENDIX E

Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the Book-Entry System for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of redemption proceeds, principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuance of DTC Services

DTC may discontinue providing its services as securities depository with respect to Bonds at any time by giving notice to the Authority and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of the Official Statement

WHILE THE BONDS ARE IN THE BOOK-ENTRY SYSTEM, REFERENCE IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT TO OWNERS OF SUCH BONDS SHOULD BE READ TO INCLUDE ANY PERSON FOR WHOM A PARTICIPANT ACQUIRES AN INTEREST IN THE BONDS, BUT (I) ALL RIGHTS OF OWNERSHIP, AS DESCRIBED HEREIN, MUST BE EXERCISED THROUGH DTC AND THE BOOK-ENTRY SYSTEM AND (II) NOTICES THAT ARE TO BE GIVEN TO REGISTERED OWNERS BY THE TRUSTEE WILL BE GIVEN ONLY TO DTC. DTC IS REQUIRED TO FORWARD (OR CAUSE TO BE FORWARDED) THE NOTICES TO THE PARTICIPANTS BY ITS USUAL PROCEDURES SO THAT SUCH PARTICIPANTS MAY FORWARD (OR CAUSE TO BE FORWARDED) SUCH NOTICES TO THE BENEFICIAL OWNERS.

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One Financial Center
Boston, MA
617 542 6000
617 542 2241 fax

FORM OF OPINION OF BOND COUNSEL – TURNPIKE REVENUE REFUNDING BONDS

[Closing Date]

Maine Turnpike Authority
2360 Congress Street
Portland, Maine 04102

Re: Maine Turnpike Authority Turnpike Revenue Refunding Bonds, Series 2025 (the “Bonds”)

We have acted as Bond Counsel to the Maine Turnpike Authority in connection with the authorization and issuance of the Bonds. In that capacity we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. The Bonds are issued pursuant to Title 23, Part 1, Chapter 24, Sections 1961 - 1983, inclusive, of the Revised Statutes of the State of Maine, as amended (the “Enabling Act”), the General Turnpike Revenue Bond Resolution adopted on April 18, 1991 (the “General Resolution”), as amended and supplemented by supplemental resolutions, including the Twenty-Fourth Supplemental Resolution Authorizing the Issuance of Maine Turnpike Authority Turnpike Revenue Refunding Bonds, Series 2025 authorized by a resolution adopted on March 20, 2025. The General Resolution, as amended and supplemented, is referred to herein as the “Resolution.” Other capitalized terms used herein shall, unless otherwise specified, have the meaning set forth in the Resolution.

The Bonds are obligations of the Authority secured by the Resolution and a pledge of the Revenues received by or for the account of the Authority and monies and securities on deposit in the Funds and Accounts pledged as security therefor under the Resolution.

As to questions of fact material to our opinion, we have relied upon the representations of the Authority contained in the Resolution and in the certified proceedings and other certifications of Authority officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, under existing law, we are of the following opinion:

- (a) The Authority is duly organized and validly existing under the Enabling Act as a body politic and corporate of the State of Maine (the “State”), with the right and power under the Enabling Act to adopt the Resolution and the Issuance Resolution, perform the agreements on its part contained therein, and issue the Bonds.
- (b) The Bonds are obligations of the Authority secured by the Resolution and a pledge of the Revenues received by or for the account of the Authority and monies and securities on deposit in the Funds and Accounts pledged as security therefor under the Resolution, and the Resolution creates the valid pledge which it purports to create for the benefit of the holders of the Bonds, subject to the application of such Revenues, monies and securities to the purposes and on the conditions permitted by the Resolution.
- (c) The Bonds have been duly authorized, executed, authenticated and delivered, and all conditions required by the Resolution precedent to the issuance of the Bonds have been met. The Bonds are valid and binding obligations of the Authority, payable solely from the



sources provided therefor in the Resolution, enforceable in accordance with their terms, and entitled to the benefits and security of the Resolution, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles.

- (d) The Resolution and the Issuance Resolution have been duly and lawfully adopted by the Authority, are in full force and effect, and are valid and binding agreements of the Authority, enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles.
- (e) Interest on the Bonds is excludable from gross income of the holders of the Bonds for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion is rendered subject to compliance with various requirements of the Code which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon is and continues to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in the gross income of holders of the Bonds retroactive to the date of issuance of the Bonds. Interest on the Bonds is not an item of tax preference for purposes of computation of the federal alternative minimum tax imposed on individuals; however, it may be taken into account for the purpose of computing the federal alternative minimum tax imposed on certain corporations.
- (f) Under existing laws of the State, interest on the Bonds is exempt from State income tax imposed on individuals. We express no opinion with respect to taxation of the Bonds and the interest thereon under the laws of any states other than the State.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.



One Financial Center
Boston, MA
617 542 6000
617 542 2241 fax

FORM OF OPINION OF BOND COUNSEL – SPECIAL OBLIGATION BONDS

[Closing Date]

Maine Turnpike Authority
2360 Congress Street
Portland, Maine 04102

Re: Maine Turnpike Authority Turnpike Revenue Refunding Bonds, Series 2025 (the “Bonds”)

We have acted as Bond Counsel to the Maine Turnpike Authority in connection with the authorization and issuance of the Bonds. In that capacity we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. The Bonds are issued pursuant to Title 23, Part 1, Chapter 24, Sections 1961 - 1982, inclusive, of the Revised Statutes of the State of Maine, as amended (the “Enabling Act”), and Title 36, Part 8, Chapters 801-819, Sections 5101-5206-B of the Revised Statutes of the State of Maine, as amended (“Maine Tax Statutes”), the General Special Obligation Bond Resolution adopted on May 15, 1996 (the “Special Obligation Resolution”), as amended and supplemented by supplemental resolutions, including the Fifth Supplemental Resolution Authorizing the Issuance of the Maine Turnpike Authority Special Obligation Bonds, Series 2025 adopted March 20, 2025, and the Issuance Resolution adopted on March 20, 2025 (the “Issuance Resolution”). The Special Obligation Resolution, as amended and supplemented, is referred to herein as the “Resolution.” Other capitalized terms used herein shall, unless otherwise specified, have the meaning set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon the representations of the Authority contained in the Resolution and in the certified proceedings and other certifications of Authority officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, under existing law, we are of the following opinion:

- (a) The Authority is duly organized and validly existing under the Enabling Act as a body politic and corporate of the State of Maine (the “State”), with the right and power under the Enabling Act to adopt the Resolution and the Issuance Resolution, perform the agreements on its part contained therein, and issue the Bonds.
- (b) The Bonds are obligations of the Authority secured by the Resolution and a pledge of the Special Obligation Revenues received by or for the account of the Authority and monies and securities on deposit in the Funds and Accounts pledged as security therefor under the Resolution, and the Resolution creates the valid pledge which it purports to create for the benefit of the holders of the Bonds, subject to the application of such Special Obligation Revenues, monies and securities to the purposes and on the conditions permitted by the Resolution.
- (c) The Bonds have been duly authorized, executed, authenticated and delivered, and all conditions required by the Resolution precedent to the issuance of the Bonds have been met. The Bonds are valid and binding obligations of the Authority, payable solely from the sources provided therefor in the Resolution, enforceable in accordance with their terms,



and entitled to the benefits and security of the Resolution, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles.

- (d) The Resolution and the Issuance Resolution have been duly and lawfully adopted by the Authority, are in full force and effect, and are valid and binding agreements of the Authority, enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles.
- (e) Interest on the Bonds is excludable from gross income of the holders of the Bonds for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion is rendered subject to compliance with various requirements of the Code which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon is and continues to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in the gross income of holders of the Bonds retroactive to the date of issuance of the Bonds. Interest on the Bonds is not an item of tax preference for purposes of computation of the federal alternative minimum tax imposed on individuals; however, it may be taken into account for the purpose of computing the federal alternative minimum tax imposed on certain corporations.
- (f) Under existing laws of the State, interest on the Bonds is exempt from State income tax imposed on individuals. We express no opinion with respect to taxation of the Bonds and the interest thereon under the laws of any states other than the State.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated April __, 2025 (this “Disclosure Agreement”) is executed and delivered by the Maine Turnpike Authority (the “Authority”) and Bangor Savings Bank, as Trustee (the “Trustee”) in connection with the issuance of Maine Turnpike Authority Turnpike Revenue Refunding Bonds, Series 2025 (the “Turnpike Revenue Refunding Bonds”) and Maine Turnpike Authority Special Obligation Bonds, Series 2025 (the “Special Obligation Bonds” and together with the Turnpike Revenue Refunding Bonds, the “Bonds”). The Bonds are being issued pursuant to Title 23, Part 1, Chapter 24, Sections 1961 - 1983, inclusive, of the Maine Revised Statutes, as amended (the “Act”) and in the case of the Turnpike Revenue Refunding Bonds, the Authority’s General Turnpike Revenue Bond Resolution adopted on April 18, 1991 as amended and supplemented, and in the case of the Authority Special Obligation Bonds, the General Special Obligation Bond Resolution adopted on May 15, 1996, as amended and supplemented (collectively, the “Resolutions”). The Authority and the Trustee covenant and agree as follows:

Section 1. Purpose; Beneficiaries. This Disclosure Agreement is entered into solely to assist the Participating Underwriter (defined below) in complying with subsection (b)(5) of the Rule (defined below). This Disclosure Agreement constitutes a written undertaking for the benefit of the beneficial owners (within the meaning of the Rule) of the Bonds (such beneficial owners being sometimes called herein “owners”).

Section 2. Definitions. The following words and terms used in this Disclosure Agreement shall have the following respective meanings:

- (a) “Annual Report” shall mean any Annual Report provided by the Authority to the Trustee, and consistent with the requirements of Sections 3 and 4 of this Disclosure Agreement.
- (b) “EMMA” means the MSRB’s Electronic Municipal Market Access system, or its successor as designated by the MSRB.
- (c) “Fiscal Year” shall mean the twelve months beginning on January 1 and ending on December 31 in each calendar year.
- (d) “MSRB” means the Municipal Securities Rulemaking Board.
- (e) “Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.
- (f) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities and Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Disclosure Agreement, including any official interpretation thereof.
- (g) “SEC” means the United States Securities and Exchange Commission.
- (h) “SID” means, at any time, a then-existing, state information depository, if any, as operated or designated as such by or on behalf of the State of Maine for the purposes referred to in the Rule. As of the date of this Disclosure Agreement, there is no SID.

All capitalized words and terms used in this Disclosure Agreement and not otherwise defined herein shall have the meaning ascribed to such words and terms in the Official Statement dated April __, 2025 (the “Official Statement”) pertaining to the Bonds.

APPENDIX G

Section 3. Provision of Annual Reports. Not later than 180 days after the end of its Fiscal Year the Authority shall deliver to the Trustee its Annual Report for such Fiscal Year. If said Annual Report does not contain the Authority's audited financial statements for the Fiscal Year of the Annual Report, then the Authority shall, in any event, deliver to the Trustee said audited financial statements no later than 240 days after the end of its Fiscal Year.

The Trustee shall forward to EMMA the Authority's Annual Report, with or without the Authority's audited financial statements, or notice of the Authority's failure to provide said Annual Report (in the form set forth in Exhibit A hereto), no later than 195 days after the end of the Fiscal Year. If the Authority elects not to provide the Trustee with its audited financial statements as part of its Annual Report within the 180 day period described above, the Trustee shall forward to EMMA the Authority's audited financial statements, or notice of the Authority's failure to provide said audited financial statements, no later than 255 days after the end of such Fiscal Year.

Upon its forwarding of the Annual Report and audited financial statements, the Trustee shall file a report with the Authority certifying that the Annual Report and audited financial statements have been forwarded to EMMA pursuant to this Disclosure Agreement, stating the date each was mailed.

Section 4. Content of Annual Reports. The Annual Report shall contain (i) the audited financial statements of the Authority for such Fiscal Year if audited financial statements are then available, and (ii) financial information and operating data, in each case updated through the last day of such Fiscal Year unless otherwise noted, of the type provided in the following tables contained in the Official Statement relating to the Bonds, in each case substantially in the same level of detail as is found in the referenced section of the Official Statement:

Financial Information and Operating Data Category	Reference to Official Statement for Level of Detail
1. Traffic and toll revenues for the most recent fiscal year.	"SUMMARY OF HISTORICAL OPERATIONS - Historical Traffic Trends and Toll Revenue - Historical Traffic and Toll Revenue"
2. Monthly Traffic and Net Toll Revenue for the most recent fiscal year.	"SUMMARY OF HISTORICAL OPERATIONS - Historical Traffic Trends and Toll Revenue - Monthly Traffic and Net Revenues"
3. Fare schedules for the most recent fiscal year.	"APPENDIX H"
4. Historical operating results for the most recent fiscal year.	"SUMMARY OF HISTORICAL OPERATIONS - Historical Operating Results and Deposits"

Any or all of the items listed above may be included by reference to other documents, including official statements pertaining to debt issued by the Authority, which have been submitted to EMMA. The Authority's annual financial statements for each fiscal year shall consist of the statement of assets, liabilities and retained revenues prepared in accordance with the Resolutions. Such financial statements shall be audited by a firm of certified public accountants appointed by the Authority. The Trustee is the agent of the Authority in the dissemination of the Annual Report and the other notices referenced herein and has no duty or responsibility as to the legal correctness or accuracy of the form or content of said Annual Report or notices.

Section 5 Reporting of Significant Events. Upon the occurrence of any of the following listed events with respect to the Bonds, the Authority shall direct the Trustee to provide to EMMA in a timely manner not in excess of ten business days after the occurrence of the event, notice of such occurrence (numbered in accordance with the provisions of the Rule):

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of any owners of the Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

APPENDIX G

- (xv) incurrence of a financial obligation* of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation* of an obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation* of an obligated person, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

Section 6. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from providing any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to provide any information in addition to that which is specifically required by this Disclosure Agreement, the Authority and the Trustee shall have no obligation under this Disclosure Agreement to update such information or to provide similar information in the future.

Section 7. Enforceability of This Disclosure Agreement; Termination. To the extent permitted by law, the provisions of this Disclosure Agreement are enforceable against the Authority and the Trustee in accordance with the terms hereof by any owner of a Bond, including any beneficial owner acting as a third party beneficiary (upon proof of its status as a beneficial owner reasonably satisfactory to an Authorized Official). To the extent permitted by law, any such owner shall have the right, for the equal benefit and protection of all owners of the Bonds, to enforce its rights against the Authority and the Trustee and to compel the Authority and the Trustee and any of their officers, agents or employees to perform and carry out their duties under the provisions of this Disclosure Agreement; provided, however, that the sole remedy for a violation of this Disclosure Agreement shall be an action to compel specific performance of the obligations of the Authority and the Trustee under this Disclosure Agreement and shall not include any rights to monetary damages. A breach or default under this Disclosure Agreement shall not constitute an Event of Default under the Resolutions. This Disclosure Agreement shall terminate if no Bonds remain outstanding (without regard to an economic defeasance) or if the provisions of the Rule concerning continuing disclosure are no longer in effect, whichever occurs first.

Section 8. Amendments. This Disclosure Agreement may be amended, changed or modified by the parties hereto, without the consent of, or notice to, any owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional), (b) to make any necessary or desirable provisions with respect to the Trustee, (c) to add to the covenants of the Authority or the Trustee for the benefit of the owners of the Bonds, (d) to modify the contents, presentation and format of the Annual Report from time to time as a result of a change in circumstances that arises from a change in legal

* As noted in Rule 15c2-12, the term “financial obligation” means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) a guaranty of an instrument described in (i) or (ii). The term does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

requirements, or (e) to otherwise modify the undertaking of the Authority in this Disclosure Agreement in a manner consistent or otherwise responding to the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the owners of the Bonds, as determined either by a party unaffiliated with the Authority or the Trustee (such as the firm serving at the time as bond counsel to the Authority) or by the vote or consent of the Registered Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment, which consent shall be obtained as provided in this Disclosure Agreement with respect to consents of Registered Owners. Any amendment, change or modification to this Disclosure Agreement shall be in writing.

If this Disclosure Agreement is amended with respect to the Annual Report to be submitted by the Authority hereunder, the Annual Report containing the amended financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information being provided. If this Disclosure Agreement is amended with respect to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and the financial statements or information prepared on the basis of the former accounting principles. Such comparison will include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison will also be quantitative. The Authority shall direct the Trustee to give notice of any change in the accounting principles to EMMA as promptly as practicable after such change has been determined.

Section 9. Duties, Immunities and Liabilities of the Trustee. The Trustee shall have only such duties under this Disclosure Agreement as are specifically set forth in this Disclosure Agreement, and the Authority hereby agrees to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the cost and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee's negligence or willful misconduct in the performance of its duties hereunder. The obligations of the Authority under this Section 9 shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 10. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Maine and applicable law of the United States of America.

Section 12. Titles of Sections. The titles of sections in this Disclosure Agreement shall have no effect in construing this Disclosure Agreement.

Section 13. Actions to be Performed on Non-Business Days. Any action required by this Disclosure Agreement to be taken on a Saturday, Sunday or holiday within the State of Maine may be taken on the next business day with the same force and effect as if taken on the day so required.

APPENDIX G

IN WITNESS WHEREOF, THE MAINE TURNPIKE AUTHORITY and BANGOR SAVINGS BANK, as Trustee, have executed this Disclosure Agreement, under seal, all as of the day and year first above written.

MAINE TURNPIKE AUTHORITY

By: _____
Executive Director

BANGOR SAVINGS BANK,
as trustee

By: _____
Authorized Officer

TOLL SCHEDULES

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Maine Turnpike Cash Toll Rates

Instructions:		V E H I C L E C L A S S I F I C A T I O N							
To locate your toll, select your entrance location from the column on left, follow line across to classification of vehicle in use.		Class 1 Two-axle, four-tire vehicles	Class 2 Two-axle, six-tire vehicles	Class 3 Three-axle vehicles and combinations	Class 4 Four-axle vehicles and combinations	Class 5 Five-axle vehicles and combinations	Class 6 Six or more axle vehicles and combinations	Class 7 Class one vehicles towing 1-axle trailer	Class 8 Class one vehicles towing 2-axle trailers
Cash fares are paid upon entry only except at those locations noted.	Plaza Mile Marker								
P L A Z A	7 York	4.00	10.00	12.00	14.00	16.00	18.00	6.00	6.00
	19 Wells (northbound entry only)	1.50	3.75	4.50	5.25	6.00	6.75	2.25	2.25
	25 Kennebunk	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	32 Biddeford	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	36 Saco	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	42 Scarborough	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	44 Scarborough - I 295	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	45 Maine Mall/Payne Road	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	46 Jetport	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	47 Rand Road	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	48 Riverside St/Larabee Road	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	52 Falmouth Spur	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	53 West Falmouth	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
	63 Gray (southbound entry only)	1.50	3.75	4.50	5.25	6.00	6.75	2.25	2.25
	67 New Gloucester	2.25	5.65	6.75	7.90	9.00	10.15	3.40	3.40
	102 West Gardiner	1.75	4.40	5.25	6.15	7.00	7.90	2.65	2.65
	103 Gardiner	1.00	2.50	3.00	3.50	4.00	4.50	1.50	1.50
Above rates effective November 1, 2021									

Vehicle Classification Legend

Class 1: Two-axle four-tire vehicles - including passenger cars, pickup trucks, vans and motorcycles paying full cash toll



Class 2: Two-axle six-tire vehicles - includes buses and motor homes



Class 3: Three-axle vehicles and combinations - includes class two vehicles towing one-axle trailers, and buses



Class 4: Four-axle vehicles and combinations - includes class two vehicles towing two-axle trailers



Class 5: Five-axle vehicles and combinations - minimum classification for vehicles requiring "Over limit Permit"



Class 6: Six or more axle vehicles and combinations



Class 7: Class one vehicles, towing 1 axle trailer - overall length limited to sixty (60) feet



Class 8: Class one vehicles, towing 2 axle trailer - overall length limited to sixty (60) feet



E-ZPass Toll Rate Chart - Class 1



Instructions:

To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart).

The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.

Instructions: To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart). The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.			E X I T T I N G P L A Z A																				
			York	Wells	Kennebunk	Biddeford	Saco	Scarborough	Portland/I-295	Maine Mall Rd	Jetport	Rand Rd	Riverside St	Falmouth	West Falmouth	Gray	New Gloucester	Exit Toll Paid at New Gloucester (67)			West Gardiner	Gardiner I-295	
																		Auburn	Lewiston	Sabattus			
E N T R I N G P L A Z A	Plaza Mile Marker		7	19	25	32	36	42	44	45	46	47	48	52	53	63	67	75	80	86	102	103	
	7	York		0.95	1.45	1.95	2.25	2.80	2.95	3.00	3.10	3.20	3.30	3.55	3.60	4.00	5.40	5.40	5.40	5.40	6.70		
	19	Wells	0.95		0.50	1.00	1.30	1.50	2.00	1.50	1.50	1.50	1.50	2.50	1.50	1.50	3.75	3.75	3.75	3.75	5.05		
	25	Kennebunk	1.45	0.50		0.50	0.80	1.00	1.50	1.00	1.00	1.00	1.00	2.00	1.00	1.00	3.25	3.25	3.25	3.25	4.55		
	32	Biddeford	1.95	1.00	0.50		0.50	0.85	1.00	1.00	1.00	1.00	1.00	1.60	1.00	1.00	3.25	3.25	3.25	3.25	4.55		
	36	Saco	2.25	1.00	0.80	0.50		0.55	0.70	0.75	0.85	0.95	1.00	1.25	1.00	1.00	3.15	3.15	3.15	3.15	4.45		
	42	Scarborough	2.80	1.00	1.00	0.85	0.55		0.50	0.50	0.50	0.50	0.50	0.75	0.80	1.00	2.60	2.60	2.60	2.60	3.90		
	44	Portland/I-295	2.95	1.00	1.00	1.00	0.70	0.50															
	45	Maine Mall Rd	3.00	1.00	1.00	1.00	0.75	0.50			0.50	0.50	0.50	0.55	0.60	1.00	2.40	2.40	2.40	2.40	3.70		
	46	Jetport	3.10	1.00	1.00	1.00	0.85	0.50		0.50		0.50	0.50	0.50	0.50	1.00	2.30	2.30	2.30	2.30	3.60		
	47	Rand Rd	3.20	1.00	1.00	1.00	0.95	0.50		0.50	0.50		0.50	0.50	0.50	1.00	2.20	2.20	2.20	2.20	3.50		
	48	Riverside St	3.30	1.00	1.00	1.00	1.00	0.50		0.50	0.50	0.50		0.50	0.50	1.00	2.10	2.10	2.10	2.10	3.40		
	52	Falmouth	3.55	1.00	1.00	1.00	1.00	0.75		0.55	0.50	0.50	0.50		0.50	0.90	1.85	1.85	1.85	1.85	3.15		
	53	West Falmouth	3.60	1.00	1.00	1.00	1.00	0.80		0.60	0.50	0.50	0.50	0.50		0.85	1.80	1.80	1.80	1.80	3.10		
	63	Gray	4.45	1.50	1.50	1.50	1.50	1.50		1.45	1.35	1.25	1.15	0.90	0.85		0.95	0.95	0.95	0.95	2.25		
	67	New Gloucester	5.40	2.25	2.25	2.25	2.25	2.25		2.25	2.25	2.20	2.10	1.85	1.80	0.95							
	75	Auburn	Entering Toll Paid at New Gloucester (67)	5.40	2.25	2.25	2.25	2.25	2.25		2.25	2.25	2.20	2.10	1.85	1.80	0.95			0.00	0.00	1.30	
	80	Lewiston		5.40	2.25	2.25	2.25	2.25	2.25		2.25	2.25	2.20	2.10	1.85	1.80	0.95		0.00		0.00	1.30	
	86	Sabattus		5.40	2.25	2.25	2.25	2.25	2.25		2.25	2.25	2.20	2.10	1.85	1.80	0.95		0.00	0.00		1.30	
102	West Gardiner	6.70	3.55	3.55	3.55	3.55	3.55		3.55	3.55	3.50	3.40	3.15	3.10	2.25		1.30	1.30	1.30				
103	Gardiner I-295																				0.50		

Above rates effective November 1, 2021

E-ZPass Toll Rate Chart - Class 2



Instructions:

To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart).

The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.

Instructions: To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart). The rates on this chart are for Maine Turnpike <i>E-ZPass</i> Account Holders only.			E X I T T I N G P L A Z A																			
			York	Wells	Kennebunk	Biddeford	Saco	Scarborough	Portland/I-295	Maine Mall Rd	Jetport	Rand Rd	Riverside St	Falmouth	West Falmouth	Gray	New Gloucester	Exit Toll Paid at New Gloucester (67)			West Gardiner	Gardiner I-295
																		Auburn	Lewiston	Sabattus		
	Plaza Mile Marker	7	19	25	32	36	42	44	45	46	47	48	52	53	63	67	75	80	86	102	103	
E N T R I N G P L A Z A	7 York		2.40	3.65	4.90	5.65	7.00	7.40	7.50	7.75	8.00	8.25	8.90	9.00	10.00	13.50	13.50	13.50	13.50	16.75		
	19 Wells	2.40		1.25	2.50	3.25	3.75	5.00	3.75	3.75	3.75	3.75	6.25	3.75	3.75	9.40	9.40	9.40	9.40	12.65		
	25 Kennebunk	3.65	1.25		1.25	2.00	2.50	3.75	2.50	2.50	2.50	2.50	5.00	2.50	2.50	8.15	8.15	8.15	8.15	11.40		
	32 Biddeford	4.90	2.50	1.25		1.25	2.15	2.50	2.50	2.50	2.50	2.50	4.00	2.50	2.50	8.15	8.15	8.15	8.15	11.40		
	36 Saco	5.65	2.50	2.00	1.25		1.40	1.75	1.90	2.15	2.40	2.50	3.15	2.50	2.50	7.90	7.90	7.90	7.90	11.15		
	42 Scarborough	7.00	2.50	2.50	2.15	1.40		1.25	1.25	1.25	1.25	1.25	1.90	2.00	2.50	6.50	6.50	6.50	6.50	9.75		
	44 Portland/I-295	7.40	2.50	2.50	2.50	1.75	1.25															
	45 Maine Mall Rd	7.50	2.50	2.50	2.50	1.90	1.25			1.25	1.25	1.25	1.40	1.50	2.50	6.00	6.00	6.00	6.00	9.25		
	46 Jetport	7.75	2.50	2.50	2.50	2.15	1.25		1.25		1.25	1.25	1.25	1.25	2.50	5.75	5.75	5.75	5.75	9.00		
	47 Rand Rd	8.00	2.50	2.50	2.50	2.40	1.25		1.25	1.25		1.25	1.25	1.25	2.50	5.50	5.50	5.50	5.50	8.75		
	48 Riverside St	8.25	2.50	2.50	2.50	2.50	1.25		1.25	1.25	1.25		1.25	1.25	2.50	5.25	5.25	5.25	5.25	8.50		
	52 Falmouth	8.90	2.50	2.50	2.50	2.50	1.90		1.40	1.25	1.25	1.25		1.25	2.25	4.65	4.65	4.65	4.65	7.90		
	53 West Falmouth	9.00	2.50	2.50	2.50	2.50	2.00		1.50	1.25	1.25	1.25	1.25		2.15	4.50	4.50	4.50	4.50	7.75		
	63 Gray	11.15	3.75	3.75	3.75	3.75	3.75		3.65	3.40	3.15	2.90	2.25	2.15		2.40	2.40	2.40	2.40	5.65		
67 New Gloucester	13.50	5.65	5.65	5.65	5.65	5.65		5.65	5.65	5.50	5.25	4.65	4.50	2.40								
75 Auburn	Entering Toll Paid at New Gloucester (67)	13.50	5.65	5.65	5.65	5.65	5.65		5.65	5.65	5.50	5.25	4.65	4.50	2.40			0.00	0.00	3.25		
80 Lewiston		13.50	5.65	5.65	5.65	5.65	5.65		5.65	5.65	5.50	5.25	4.65	4.50	2.40		0.00		0.00	3.25		
86 Sabattus		13.50	5.65	5.65	5.65	5.65	5.65		5.65	5.65	5.50	5.25	4.65	4.50	2.40		0.00	0.00		3.25		
102 West Gardiner		16.75	8.90	8.90	8.90	8.90	8.90		8.90	8.90	8.75	8.50	7.90	7.75	5.65		3.25	3.25	3.25			
103 Gardiner I-295																					1.25	

Above rates effective November 1, 2021

E-ZPass Toll Rate Chart - Class 3



Instructions:

To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart).

The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.

Instructions: To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart). The rates on this chart are for Maine Turnpike <i>E-ZPass</i> Account Holders only.			E X I T I N G P L A Z A																			
			York	Wells	Kennebunk	Biddeford	Saco	Scarborough	Portland/I-295	Maine Mall Rd	Jetport	Rand Rd	Riverside St	Falmouth	West Falmouth	Gray	New Gloucester	Exit Toll Paid at New Gloucester (67)			West Gardiner	Gardiner I-295
																		Auburn	Lewiston	Sabattus		
	Plaza Mile Marker	7	19	25	32	36	42	44	45	46	47	48	52	53	63	67	75	80	86	102	103	
E N T R I N G P L A Z A	7 York		2.85	4.35	5.85	6.75	8.40	8.85	9.00	9.30	9.60	9.90	10.65	10.80	12.00	16.20	16.20	16.20	16.20	20.10		
	19 Wells	2.85		1.50	3.00	3.90	4.50	6.00	4.50	4.50	4.50	4.50	7.50	4.50	4.50	11.25	11.25	11.25	11.25	15.15		
	25 Kennebunk	4.35	1.50		1.50	2.40	3.00	4.50	3.00	3.00	3.00	3.00	6.00	3.00	3.00	9.75	9.75	9.75	9.75	13.65		
	32 Biddeford	5.85	3.00	1.50		1.50	2.55	3.00	3.00	3.00	3.00	3.00	4.80	3.00	3.00	9.75	9.75	9.75	9.75	13.65		
	36 Saco	6.75	3.00	2.40	1.50		1.65	2.10	2.25	2.55	2.85	3.00	3.75	3.00	3.00	9.45	9.45	9.45	9.45	13.35		
	42 Scarborough	8.40	3.00	3.00	2.55	1.65		1.50	1.50	1.50	1.50	1.50	2.25	2.40	3.00	7.80	7.80	7.80	7.80	11.70		
	44 Portland/I-295	8.85	3.00	3.00	3.00	2.10	1.50															
	45 Maine Mall Rd	9.00	3.00	3.00	3.00	2.25	1.50			1.50	1.50	1.50	1.65	1.80	3.00	7.20	7.20	7.20	7.20	11.10		
	46 Jetport	9.30	3.00	3.00	3.00	2.55	1.50		1.50		1.50	1.50	1.50	1.50	3.00	6.90	6.90	6.90	6.90	10.80		
	47 Rand Rd	9.60	3.00	3.00	3.00	2.85	1.50		1.50	1.50		1.50	1.50	1.50	3.00	6.60	6.60	6.60	6.60	10.50		
	48 Riverside St	9.90	3.00	3.00	3.00	3.00	1.50		1.50	1.50	1.50		1.50	1.50	3.00	6.30	6.30	6.30	6.30	10.20		
	52 Falmouth	10.65	3.00	3.00	3.00	3.00	2.25		1.65	1.50	1.50	1.50		1.50	2.70	5.55	5.55	5.55	5.55	9.45		
	53 West Falmouth	10.80	3.00	3.00	3.00	3.00	2.40		1.80	1.50	1.50	1.50	1.50		2.55	5.40	5.40	5.40	5.40	9.30		
	63 Gray	13.35	4.50	4.50	4.50	4.50	4.50		4.35	4.05	3.75	3.45	2.70	2.55		2.85	2.85	2.85	2.85	6.75		
	67 New Gloucester	16.20	6.75	6.75	6.75	6.75	6.75		6.75	6.75	6.60	6.30	5.55	5.40	2.85							
	75 Auburn	Entering Toll Paid at New Gloucester (67)	16.20	6.75	6.75	6.75	6.75	6.75		6.75	6.75	6.60	6.30	5.55	5.40	2.85			0.00	0.00	3.90	
	80 Lewiston		16.20	6.75	6.75	6.75	6.75	6.75		6.75	6.75	6.60	6.30	5.55	5.40	2.85		0.00		0.00	3.90	
86 Sabattus	16.20		6.75	6.75	6.75	6.75	6.75		6.75	6.75	6.60	6.30	5.55	5.40	2.85		0.00	0.00		3.90		
102 West Gardiner		20.10	10.65	10.65	10.65	10.65	10.65		10.65	10.65	10.50	10.20	9.45	9.30	6.75		3.90	3.90	3.90			
103 Gardiner I-295																					1.50	

Above rates effective November 1, 2021

E-ZPass Toll Rate Chart - Class 4



Instructions:

To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart).

The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.

Instructions: To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart). The rates on this chart are for Maine Turnpike <i>E-ZPass</i> Account Holders only.			E X I T I N G P L A Z A																			
			York	Wells	Kennebunk	Biddeford	Saco	Scarborough	Portland/I-295	Maine Mall Rd	Jetport	Rand Rd	Riverside St	Falmouth	West Falmouth	Gray	New Gloucester	Exit Toll Paid at New Gloucester (67)			West Gardiner	Gardiner I-295
																		Auburn	Lewiston	Sabattus		
	Plaza Mile Marker	7	19	25	32	36	42	44	45	46	47	48	52	53	63	67	75	80	86	102	103	
E N T R I N G P L A Z A	7 York		3.35	5.10	6.85	7.90	9.80	10.35	10.50	10.85	11.20	11.55	12.45	12.60	14.00	18.90	18.90	18.90	18.90	23.45		
	19 Wells	3.35		1.75	3.50	4.55	5.25	7.00	5.25	5.25	5.25	5.25	8.75	5.25	5.25	13.15	13.15	13.15	13.15	17.70		
	25 Kennebunk	5.10	1.75		1.75	2.80	3.50	5.25	3.50	3.50	3.50	3.50	7.00	3.50	3.50	11.40	11.40	11.40	11.40	15.95		
	32 Biddeford	6.85	3.50	1.75		1.75	3.00	3.50	3.50	3.50	3.50	3.50	5.60	3.50	3.50	11.40	11.40	11.40	11.40	15.95		
	36 Saco	7.90	3.50	2.80	1.75		1.95	2.45	2.65	3.00	3.35	3.50	4.40	3.50	3.50	11.05	11.05	11.05	11.05	15.60		
	42 Scarborough	9.80	3.50	3.50	3.00	1.95		1.75	1.75	1.75	1.75	1.75	2.65	2.80	3.50	9.10	9.10	9.10	9.10	13.65		
	44 Portland/I-295	10.35	3.50	3.50	3.50	2.45	1.75															
	45 Maine Mall Rd	10.50	3.50	3.50	3.50	2.65	1.75			1.75	1.75	1.75	1.95	2.10	3.50	8.40	8.40	8.40	8.40	12.95		
	46 Jetport	10.85	3.50	3.50	3.50	3.00	1.75		1.75		1.75	1.75	1.75	1.75	3.50	8.05	8.05	8.05	8.05	12.60		
	47 Rand Rd	11.20	3.50	3.50	3.50	3.35	1.75		1.75	1.75		1.75	1.75	1.75	3.50	7.70	7.70	7.70	7.70	12.25		
	48 Riverside St	11.55	3.50	3.50	3.50	3.50	1.75		1.75	1.75	1.75		1.75	1.75	3.50	7.35	7.35	7.35	7.35	11.90		
	52 Falmouth	12.45	3.50	3.50	3.50	3.50	2.65		1.95	1.75	1.75	1.75		1.75	3.15	6.50	6.50	6.50	6.50	11.05		
	53 West Falmouth	12.60	3.50	3.50	3.50	3.50	2.80		2.10	1.75	1.75	1.75	1.75		3.00	6.30	6.30	6.30	6.30	10.85		
	63 Gray	15.60	5.25	5.25	5.25	5.25	5.25		5.10	4.75	4.40	4.05	3.15	3.00		3.35	3.35	3.35	3.35	7.90		
	67 New Gloucester	18.90	7.90	7.90	7.90	7.90	7.90		7.90	7.90	7.70	7.35	6.50	6.30	3.35							
75 Auburn	Entering Toll Paid at New Gloucester (67)	18.90	7.90	7.90	7.90	7.90	7.90		7.90	7.90	7.70	7.35	6.50	6.30	3.35			0.00	0.00	4.55		
80 Lewiston		18.90	7.90	7.90	7.90	7.90	7.90		7.90	7.90	7.70	7.35	6.50	6.30	3.35		0.00		0.00	4.55		
86 Sabattus		18.90	7.90	7.90	7.90	7.90	7.90		7.90	7.90	7.70	7.35	6.50	6.30	3.35		0.00	0.00		4.55		
102 West Gardiner		23.45	12.45	12.45	12.45	12.45	12.45		12.45	12.45	12.25	11.90	11.05	10.85	7.90		4.55	4.55	4.55			
103 Gardiner I-295																				1.75		

Above rates effective November 1, 2021

E-ZPass Toll Rate Chart - Class 5



Instructions:

To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart).

The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.

		E X I T I N G P L A Z A																			
		York	Wells	Kennebunk	Biddeford	Saco	Scarborough	Portland/I-295	Maine Mall Rd	Jetport	Rand Rd	Riverside St	Falmouth	West Falmouth	Gray	New Gloucester	Exit Toll Paid at New Gloucester (67)			West Gardiner	Gardiner I-295
Plaza Mile Marker		7	19	25	32	36	42	44	45	46	47	48	52	53	63	67	75	80	86	102	103
E N T R I N G P L A Z A	7 York		3.80	5.80	7.80	9.00	11.20	11.80	12.00	12.40	12.80	13.20	14.20	14.40	16.00	21.60	21.60	21.60	21.60	26.80	
	19 Wells	3.80		2.00	4.00	5.20	6.00	8.00	6.00	6.00	6.00	6.00	10.00	6.00	6.00	15.00	15.00	15.00	15.00	20.20	
	25 Kennebunk	5.80	2.00		2.00	3.20	4.00	6.00	4.00	4.00	4.00	4.00	8.00	4.00	4.00	13.00	13.00	13.00	13.00	18.20	
	32 Biddeford	7.80	4.00	2.00		2.00	3.40	4.00	4.00	4.00	4.00	4.00	6.40	4.00	4.00	13.00	13.00	13.00	13.00	18.20	
	36 Saco	9.00	4.00	3.20	2.00		2.20	2.80	3.00	3.40	3.80	4.00	5.00	4.00	4.00	12.60	12.60	12.60	12.60	17.80	
	42 Scarborough	11.20	4.00	4.00	3.40	2.20		2.00	2.00	2.00	2.00	2.00	3.00	3.20	4.00	10.40	10.40	10.40	10.40	15.60	
	44 Portland/I-295	11.80	4.00	4.00	4.00	2.80	2.00														
	45 Maine Mall Rd	12.00	4.00	4.00	4.00	3.00	2.00			2.00	2.00	2.00	2.20	2.40	4.00	9.60	9.60	9.60	9.60	14.80	
	46 Jetport	12.40	4.00	4.00	4.00	3.40	2.00		2.00		2.00	2.00	2.00	2.00	4.00	9.20	9.20	9.20	9.20	14.40	
	47 Rand Rd	12.80	4.00	4.00	4.00	3.80	2.00		2.00	2.00		2.00	2.00	2.00	4.00	8.80	8.80	8.80	8.80	14.00	
	48 Riverside St	13.20	4.00	4.00	4.00	4.00	2.00		2.00	2.00	2.00		2.00	2.00	4.00	8.40	8.40	8.40	8.40	13.60	
	52 Falmouth	14.20	4.00	4.00	4.00	4.00	3.00		2.20	2.00	2.00	2.00		2.00	3.60	7.40	7.40	7.40	7.40	12.60	
	53 West Falmouth	14.40	4.00	4.00	4.00	4.00	3.20		2.40	2.00	2.00	2.00	2.00		3.40	7.20	7.20	7.20	7.20	12.40	
	63 Gray	17.80	6.00	6.00	6.00	6.00	6.00		5.80	5.40	5.00	4.60	3.60	3.40		3.80	3.80	3.80	3.80	9.00	
	67 New Gloucester	21.60	9.00	9.00	9.00	9.00	9.00		9.00	9.00	8.80	8.40	7.40	7.20	3.80						
	75 Auburn	21.60	9.00	9.00	9.00	9.00	9.00		9.00	9.00	8.80	8.40	7.40	7.20	3.80			0.00	0.00	5.20	
	80 Lewiston	21.60	9.00	9.00	9.00	9.00	9.00		9.00	9.00	8.80	8.40	7.40	7.20	3.80		0.00		0.00	5.20	
	86 Sabattus	21.60	9.00	9.00	9.00	9.00	9.00		9.00	9.00	8.80	8.40	7.40	7.20	3.80		0.00	0.00		5.20	
	102 West Gardiner	26.80	14.20	14.20	14.20	14.20	14.20		14.20	14.20	14.00	13.60	12.60	12.40	9.00		5.20	5.20	5.20		
	103 Gardiner I-295																				2.00

Above rates effective November 1, 2021

E-ZPass Toll Rate Chart - Class 6



Instructions:

To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart).

The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.

Instructions: To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart). The rates on this chart are for Maine Turnpike <i>E-ZPass</i> Account Holders only.			E X I T I N G P L A Z A																			
			York	Wells	Kennebunk	Biddeford	Saco	Scarborough	Portland/I-295	Maine Mall Rd	Jetport	Rand Rd	Riverside St	Falmouth	West Falmouth	Gray	New Gloucester	Exit Toll Paid at New Gloucester (67)			West Gardiner	Gardiner I-295
																		Auburn	Lewiston	Sabattus		
	Plaza Mile Marker	7	19	25	32	36	42	44	45	46	47	48	52	53	63	67	75	80	86	102	103	
E N T R I N G P L A Z A	7 York		4.30	6.55	8.80	10.15	12.60	13.30	13.50	13.95	14.40	14.85	16.00	16.20	18.00	24.30	24.30	24.30	24.30	30.15		
	19 Wells	4.30		2.25	4.50	5.85	6.75	9.00	6.75	6.75	6.75	6.75	11.25	6.75	6.75	16.90	16.90	16.90	16.90	22.75		
	25 Kennebunk	6.55	2.25		2.25	3.60	4.50	6.75	4.50	4.50	4.50	4.50	9.00	4.50	4.50	14.65	14.65	14.65	14.65	20.50		
	32 Biddeford	8.80	4.50	2.25		2.25	3.85	4.50	4.50	4.50	4.50	4.50	7.20	4.50	4.50	14.65	14.65	14.65	14.65	20.50		
	36 Saco	10.15	4.50	3.60	2.25		2.50	3.15	3.40	3.85	4.30	4.50	5.65	4.50	4.50	14.20	14.20	14.20	14.20	20.05		
	42 Scarborough	12.60	4.50	4.50	3.85	2.50		2.25	2.25	2.25	2.25	2.25	3.40	3.60	4.50	11.70	11.70	11.70	11.70	17.55		
	44 Portland/I-295	13.30	4.50	4.50	4.50	3.15	2.25															
	45 Maine Mall Rd	13.50	4.50	4.50	4.50	3.40	2.25			2.25	2.25	2.25	2.50	2.70	4.50	10.80	10.80	10.80	10.80	16.65		
	46 Jetport	13.95	4.50	4.50	4.50	3.85	2.25		2.25		2.25	2.25	2.25	2.25	4.50	10.35	10.35	10.35	10.35	16.20		
	47 Rand Rd	14.40	4.50	4.50	4.50	4.30	2.25		2.25	2.25		2.25	2.25	2.25	4.50	9.90	9.90	9.90	9.90	15.75		
	48 Riverside St	14.85	4.50	4.50	4.50	4.50	2.25		2.25	2.25	2.25		2.25	2.25	4.50	9.45	9.45	9.45	9.45	15.30		
	52 Falmouth	16.00	4.50	4.50	4.50	4.50	3.40		2.50	2.25	2.25	2.25		2.25	4.05	8.35	8.35	8.35	8.35	14.20		
	53 West Falmouth	16.20	4.50	4.50	4.50	4.50	3.60		2.70	2.25	2.25	2.25	2.25		3.85	8.10	8.10	8.10	8.10	13.95		
	63 Gray	20.05	6.75	6.75	6.75	6.75	6.75		6.55	6.10	5.65	5.20	4.05	3.85		4.30	4.30	4.30	4.30	10.15		
E N T R I N G P L A Z A	67 New Gloucester	24.30	10.15	10.15	10.15	10.15	10.15		10.15	10.15	9.90	9.45	8.35	8.10	4.30							
	75 Auburn	Entering Toll Paid at New Gloucester (67)	24.30	10.15	10.15	10.15	10.15	10.15		10.15	10.15	9.90	9.45	8.35	8.10	4.30			0.00	0.00	5.85	
	80 Lewiston		24.30	10.15	10.15	10.15	10.15	10.15		10.15	10.15	9.90	9.45	8.35	8.10	4.30		0.00		0.00	5.85	
	86 Sabattus		24.30	10.15	10.15	10.15	10.15	10.15		10.15	10.15	9.90	9.45	8.35	8.10	4.30		0.00	0.00		5.85	
	102 West Gardiner	30.15	16.00	16.00	16.00	16.00	16.00		16.00	16.00	15.75	15.30	14.20	13.95	10.15		5.85	5.85	5.85			
	103 Gardiner I-295																				2.25	

Above rates effective November 1, 2021

E-ZPass Toll Rate Chart - Class 7



Instructions:

To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart).

The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.

Instructions: To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart). The rates on this chart are for Maine Turnpike <i>E-ZPass</i> Account Holders only.			E X I T I N G P L A Z A																				
			York	Wells	Kennebunk	Biddeford	Saco	Scarborough	Portland/I-295	Maine Mall Rd	Jetport	Rand Rd	Riverside St	Falmouth	West Falmouth	Gray	New Gloucester	Exit Toll Paid at New Gloucester (67)			West Gardiner	Gardiner I-295	
																		Auburn	Lewiston	Sabattus			
	Plaza Mile Marker		7	19	25	32	36	42	44	45	46	47	48	52	53	63	67	75	80	86	102	103	
E N T R I N G P L A Z A	7	York		1.45	2.20	2.95	3.40	4.20	4.45	4.50	4.65	4.80	4.95	5.35	5.40	6.00	8.10	8.10	8.10	8.10	10.05		
	19	Wells	1.45		0.75	1.50	1.95	2.25	3.00	2.25	2.25	2.25	2.25	3.75	2.25	2.25	5.65	5.65	5.65	5.65	7.60		
	25	Kennebunk	2.20	0.75		0.75	1.20	1.50	2.25	1.50	1.50	1.50	1.50	3.00	1.50	1.50	4.90	4.90	4.90	4.90	6.85		
	32	Biddeford	2.95	1.50	0.75		0.75	1.30	1.50	1.50	1.50	1.50	1.50	2.40	1.50	1.50	4.90	4.90	4.90	4.90	6.85		
	36	Saco	3.40	1.50	1.20	0.75		0.85	1.05	1.15	1.30	1.45	1.50	1.90	1.50	1.50	4.75	4.75	4.75	4.75	6.70		
	42	Scarborough	4.20	1.50	1.50	1.30	0.85		0.75	0.75	0.75	0.75	0.75	1.15	1.20	1.50	3.90	3.90	3.90	3.90	5.85		
	44	Portland/I-295	4.45	1.50	1.50	1.50	1.05	0.75															
	45	Maine Mall Rd	4.50	1.50	1.50	1.50	1.15	0.75			0.75	0.75	0.75	0.85	0.90	1.50	3.60	3.60	3.60	3.60	5.55		
	46	Jetport	4.65	1.50	1.50	1.50	1.30	0.75		0.75		0.75	0.75	0.75	0.75	1.50	3.45	3.45	3.45	3.45	5.40		
	47	Rand Rd	4.80	1.50	1.50	1.50	1.45	0.75		0.75	0.75		0.75	0.75	0.75	1.50	3.30	3.30	3.30	3.30	5.25		
	48	Riverside St	4.95	1.50	1.50	1.50	1.50	0.75		0.75	0.75	0.75		0.75	0.75	1.50	3.15	3.15	3.15	3.15	5.10		
	52	Falmouth	5.35	1.50	1.50	1.50	1.50	1.15		0.85	0.75	0.75	0.75		0.75	1.35	2.80	2.80	2.80	2.80	4.75		
	53	West Falmouth	5.40	1.50	1.50	1.50	1.50	1.20		0.90	0.75	0.75	0.75	0.75		1.30	2.70	2.70	2.70	2.70	4.65		
	63	Gray	6.70	2.25	2.25	2.25	2.25	2.25		2.20	2.05	1.90	1.75	1.35	1.30		1.45	1.45	1.45	1.45	3.40		
	E N T R I N G P L A Z A	67	New Gloucester		8.10	3.40	3.40	3.40	3.40	3.40		3.40	3.40	3.30	3.15	2.80	2.70	1.45					
75		Auburn	Entering Toll Paid at New Gloucester (67)	8.10	3.40	3.40	3.40	3.40	3.40		3.40	3.40	3.30	3.15	2.80	2.70	1.45			0.00	0.00	1.95	
80		Lewiston		8.10	3.40	3.40	3.40	3.40	3.40		3.40	3.40	3.30	3.15	2.80	2.70	1.45		0.00		0.00	1.95	
86		Sabattus		8.10	3.40	3.40	3.40	3.40	3.40		3.40	3.40	3.30	3.15	2.80	2.70	1.45		0.00	0.00		1.95	
102		West Gardiner		10.05	5.35	5.35	5.35	5.35	5.35		5.35	5.35	5.25	5.10	4.75	4.65	3.40		1.95	1.95	1.95		
103		Gardiner I-295																					0.75

Above rates effective November 1, 2021

E-ZPass Toll Rate Chart - Class 8



Instructions:

To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart).

The rates on this chart are for Maine Turnpike E-ZPass Account Holders only.

Instructions: To locate your toll, select entrance location from the column on left, follow line across to exit location (shown on top of chart). The rates on this chart are for Maine Turnpike <i>E-ZPass</i> Account Holders only.			E X I T T I N G P L A Z A																			
			York	Wells	Kennebunk	Biddeford	Saco	Scarborough	Portland/I-295	Maine Mall Rd	Jetport	Rand Rd	Riverside St	Falmouth	West Falmouth	Gray	New Gloucester	Exit Toll Paid at New Gloucester (67)			West Gardiner	Gardiner I-295
																		Auburn	Lewiston	Sabattus		
	Plaza Mile Marker	7	19	25	32	36	42	44	45	46	47	48	52	53	63	67	75	80	86	102	103	
E N T R I N G P L A Z A	7 York		1.45	2.20	2.95	3.40	4.20	4.45	4.50	4.65	4.80	4.95	5.35	5.40	6.00	8.10	8.10	8.10	8.10	10.05		
	19 Wells	1.45		0.75	1.50	1.95	2.25	3.00	2.25	2.25	2.25	2.25	3.75	2.25	2.25	5.65	5.65	5.65	5.65	7.60		
	25 Kennebunk	2.20	0.75		0.75	1.20	1.50	2.25	1.50	1.50	1.50	1.50	3.00	1.50	1.50	4.90	4.90	4.90	4.90	6.85		
	32 Biddeford	2.95	1.50	0.75		0.75	1.30	1.50	1.50	1.50	1.50	1.50	2.40	1.50	1.50	4.90	4.90	4.90	4.90	6.85		
	36 Saco	3.40	1.50	1.20	0.75		0.85	1.05	1.15	1.30	1.45	1.50	1.90	1.50	1.50	4.75	4.75	4.75	4.75	6.70		
	42 Scarborough	4.20	1.50	1.50	1.30	0.85		0.75	0.75	0.75	0.75	0.75	1.15	1.20	1.50	3.90	3.90	3.90	3.90	5.85		
	44 Portland/I-295	4.45	1.50	1.50	1.50	1.05	0.75															
	45 Maine Mall Rd	4.50	1.50	1.50	1.50	1.15	0.75			0.75	0.75	0.75	0.85	0.90	1.50	3.60	3.60	3.60	3.60	5.55		
	46 Jetport	4.65	1.50	1.50	1.50	1.30	0.75		0.75		0.75	0.75	0.75	0.75	1.50	3.45	3.45	3.45	3.45	5.40		
	47 Rand Rd	4.80	1.50	1.50	1.50	1.45	0.75		0.75	0.75		0.75	0.75	0.75	1.50	3.30	3.30	3.30	3.30	5.25		
	48 Riverside St	4.95	1.50	1.50	1.50	1.50	0.75		0.75	0.75	0.75		0.75	0.75	1.50	3.15	3.15	3.15	3.15	5.10		
	52 Falmouth	5.35	1.50	1.50	1.50	1.50	1.15		0.85	0.75	0.75	0.75		0.75	1.35	2.80	2.80	2.80	2.80	4.75		
	53 West Falmouth	5.40	1.50	1.50	1.50	1.50	1.20		0.90	0.75	0.75	0.75	0.75		1.30	2.70	2.70	2.70	2.70	4.65		
	63 Gray	6.70	2.25	2.25	2.25	2.25	2.25		2.20	2.05	1.90	1.75	1.35	1.30		1.45	1.45	1.45	1.45	3.40		
	67 New Gloucester	8.10	3.40	3.40	3.40	3.40	3.40		3.40	3.40	3.30	3.15	2.80	2.70	1.45							
75 Auburn	Entering Toll Paid at New Gloucester (67)	8.10	3.40	3.40	3.40	3.40	3.40		3.40	3.40	3.30	3.15	2.80	2.70	1.45			0.00	0.00	1.95		
80 Lewiston		8.10	3.40	3.40	3.40	3.40	3.40		3.40	3.40	3.30	3.15	2.80	2.70	1.45		0.00		0.00	1.95		
86 Sabattus		8.10	3.40	3.40	3.40	3.40	3.40		3.40	3.40	3.30	3.15	2.80	2.70	1.45		0.00	0.00		1.95		
102 West Gardiner		10.05	5.35	5.35	5.35	5.35	5.35		5.35	5.35	5.25	5.10	4.75	4.65	3.40		1.95	1.95	1.95			
103 Gardiner I-295																					0.75	

Above rates effective November 1, 2021

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