
ARIZONA TRANSPORTATION BOARD

BOND RESOLUTION

Adopted October 10, 2014

Supplementing the

RESOLUTION

Adopted May 1, 1980

Authorizing

**HIGHWAY REVENUE REFUNDING BONDS
SERIES 2015**

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RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE OF ARIZONA TRANSPORTATION BOARD, HIGHWAY REVENUE REFUNDING BONDS, SERIES 2015; PRESCRIBING THE FORM OF THE BONDS; PRESCRIBING CERTAIN TERMS AND CONDITIONS AND MAKING CERTAIN COVENANTS PERTAINING TO THE BONDS; ORDERING THE SALE OF THE BONDS; AUTHORIZING THE REFUNDING OF ALL OR A PORTION OF THE BOARD’S OUTSTANDING SENIOR BONDS; SUPPLEMENTING THE RESOLUTION OF MAY 1, 1980, AS SUPPLEMENTED TO DATE; AND APPROVING CERTAIN OTHER MATTERS RELATING THERETO.

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RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE OF ARIZONA TRANSPORTATION BOARD, HIGHWAY REVENUE REFUNDING BONDS, SERIES 2015; PRESCRIBING THE FORM OF THE BONDS; PRESCRIBING CERTAIN TERMS AND CONDITIONS AND MAKING CERTAIN COVENANTS PERTAINING TO THE BONDS; ORDERING THE SALE OF THE BONDS; AUTHORIZING THE REFUNDING OF ALL OR A PORTION OF THE BOARD'S OUTSTANDING SENIOR BONDS; SUPPLEMENTING THE RESOLUTION OF MAY 1, 1980, AS SUPPLEMENTED TO DATE; AND APPROVING CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, the Legislature of the State of Arizona has passed legislation granting authority to the Arizona Transportation Board (the "Board") to issue bonds to provide funds for highway purposes and to issue refunding bonds when deemed expedient by the Board to refund any bonds previously issued by the Board (all capitalized terms used in these preambles and not defined herein shall have the meaning set forth in Section 1 hereof); and

WHEREAS, (a) on May 1, 1980, the Board adopted a certain Resolution (the "1980 Resolution") pertaining to the authorization and issuance of \$50,000,000 aggregate principal amount of Arizona Highway Improvement Bonds, Project of 1980 (the "Project of 1980 Bonds") and which Project of 1980 Bonds are no longer outstanding, and (b) on March 18, 2005, the Board adopted a certain Resolution (the "2005A Resolution") pertaining to the authorization and issuance of \$147,400,000 aggregate principal amount of Arizona Transportation Board, Highway Revenue Refunding Bonds, Series 2005A (the "Series 2005A Bonds"), and (c) on September 23, 2005, the Board adopted a certain Resolution (the "2005B Resolution") pertaining to the authorization and issuance of \$118,250,000 aggregate principal amount of Arizona Transportation Board, Highway Revenue Bonds, Series 2005B (the "Series 2005B Bonds"), and (d) on August 18, 2006, the Board adopted a certain Resolution (the "2006 Resolution") pertaining to the authorization and issuance of \$325,000,000 aggregate principal amount of Arizona Transportation Board, Highway Revenue Bonds, Series 2006 (the "Series 2006 Bonds") and (e) on March 21, 2008, the Board adopted a certain Resolution (the "2008 Resolution") pertaining to the authorization and issuance of \$193,950,000 aggregate principal amount of Arizona Transportation Board Highway Revenue Bonds, Series 2008A (the "Series 2008A Bonds") and of \$181,050,000 aggregate principal amount of Arizona Transportation Board Highway Revenue Bonds, Series 2008B (the "Series 2008B Bonds") (the 1980 Resolution, as supplemented by the 2005A Resolution, the 2005B Resolution, the 2006 Resolution and the 2008 Resolution is collectively referred to herein as the "Senior Bond Resolution"); and

WHEREAS, the Series 2005A Bonds, the Series 2005B Bonds, the Series 2006 Bonds, the Series 2008A Bonds, the Series 2008B Bonds, the Series 2015 Bonds (as hereinafter defined) and any additional bonds issued on a parity therewith are collectively referred to as "Senior Bonds" and the Senior Bonds are payable from and secured by a first lien on and pledge of "Pledged Revenues" (as hereinafter defined); and

WHEREAS, on September 27, 1991, the Board adopted a certain Resolution (the "1991 Subordinated Resolution"), pertaining to the authorization and issuance of \$171,140,000

aggregate principal amount of Arizona Transportation Board, Subordinated Highway Revenue Bonds, Series 1991A which, together with any Additional Subordinated Bonds (as therein defined), are payable from a pledge of Pledged Revenues that is subordinated to the Senior Bonds, all as provided in the 1991 Subordinated Resolution; and

WHEREAS, it is essential to the well-being of the people of the State of Arizona to have an adequate highway system and current revenues available for such purpose are insufficient to pay costs of the ongoing construction of such system and the Board is permitted under the Senior Bond Resolution, as supplemented by the 1991 Subordinated Resolution, to issue additional Senior Bonds on the terms and conditions therein set forth; and

WHEREAS, the Board has determined to authorize additional Senior Bonds as permitted under the Senior Bond Resolution, as supplemented by the 1991 Subordinated Resolution, to refund all or part of its Outstanding Senior Bonds; and

WHEREAS, the Board desires, if it is financially advantageous to do so, to refund all or part of the Outstanding Senior Bonds (such portions which may be refunded to be referred to herein as the “Bonds to be Refunded”) as identified and set forth in the Certificate of Award (hereinafter defined); and

WHEREAS, the Board now determines that its Highway Revenue Refunding Bonds, Series 2015 (hereinafter referred to as the “Series 2015 Bonds”), should be authorized in one or more series, as provided in this 2015 Resolution, for the purpose of, and in a principal amount not exceeding the amount necessary for, (a) refunding the Bonds to be Refunded, and (b) paying any bond related expenses and bond related obligations which are permitted under the Act;

WHEREAS, the Board now further determines: (a) to cause its Series 2015 Bonds to be issued and sold on a negotiated basis to a group of investment bankers designated in a separate resolution or resolutions of the Board or in the Certificate of Award (the “Underwriters”); (b) that the Series 2015 Bonds shall have such maturities and interest rates, be secured by and payable from Pledged Revenues, and have such other terms, all as set forth in this 2015 Resolution and the applicable Certificate of Award; and (c) that those Outstanding Senior Bonds which are designated in the applicable Certificate of Award as the “Bonds to be Refunded,” shall be optionally redeemed or refunded to stated maturity, all as set forth in this 2015 Resolution and the applicable Certificate of Award.

NOW, THEREFORE, BE IT RESOLVED BY THE ARIZONA TRANSPORTATION BOARD AS FOLLOWS:

Section 1. Definitions. In addition to words and terms defined in the preambles and elsewhere in this 2015 Resolution, the following terms have the following meanings in this 2015 Resolution, unless the context or use indicates clearly another meaning or intent:

“Act” shall mean Title 28, Chapter 21, Article 1, Arizona Revised Statutes, as amended.

“Additional Senior Bonds” shall mean any series of Senior Bonds or other obligations that may be issued after the Series 2015 Bonds by the Board pursuant to applicable law, in

accordance with the Senior Bond Resolution, as supplemented by the 1991 Subordinated Resolution, on a parity with the Senior Bonds then Outstanding.

“Authorized Board Representative” shall mean the Chair of the Board, the Director of the Department, the Chief Financial Officer, or any other person or persons at the time designated to act on behalf of the Board by written certificate furnished to the Bond Registrar and the Paying Agent containing the specimen signatures of such person or persons and signed on behalf of the Board by its Chair or other duly authorized agent.

“Board” shall mean the Arizona Transportation Board, or the Department acting on behalf of the Arizona Transportation Board pursuant to law.

“Book Entry Only Form” or “Book Entry Only System” means, for the Series 2015 Bonds, a form or system, as applicable, under which (i) physical bond certificates in fully registered form are issued only to a Depository or its nominee as Owner, with the physical bond certificates “immobilized” in the custody of, or on behalf of, the Depository and (ii) the ownership of book entry interests in the Series 2015 Bonds and principal of, premium, if any, and interest thereon may be transferred only through a book entry made by entities other than the Board or the Bond Registrar. The records maintained by entities other than the Board and the Bond Registrar constitute the written record that identifies the owners, and records the transfer, of such book entry interests in the Series 2015 Bonds and principal of, premium, if any, and interest thereon.

“Certificate of Award” means the Certificate of Award to be executed pursuant to Section 4 hereof, setting forth certain terms of each series of the Series 2015 Bonds.

“Chief Financial Officer” means the Chief Financial Officer of the Department.

“Code” means the Internal Revenue Code of 1986, the regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section means that Section of the Code, including any applicable successor section or provision and such applicable Treasury regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Department” means the Arizona Department of Transportation.

“Depository” means, for the Series 2015 Bonds, The Depository Trust Company (a limited purpose trust company), New York, New York, until a successor Depository shall have been appointed pursuant to the applicable provisions of Section 6(a) hereof and, thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of beneficial interests in the Series 2015 Bonds or principal of, premium, if any, and interest thereon, and to effect transfers of such Bonds in Book Entry Form.

“Director” means the Director of the Department.

“Highway Bond Proceeds Fund” shall mean the Highway Bond Proceeds Fund established by the 1980 Resolution and the Act, including all accounts therein.

“Outstanding” shall mean:

(a) when used with respect to the Series 2005A Bonds, the Series 2005B Bonds, the Series 2006 Bonds, the Series 2008A Bonds and the Series 2008B Bonds, as of any date, such Senior Bonds which have been issued and remain unpaid except for those Senior Bonds that have been paid or provided for or are otherwise no longer outstanding under the 2005A Resolution, the 2005B Resolution, the 2006 Resolution or the 2008 Resolution, as applicable; and

(b) when used with reference to the Series 2015 Bonds, as of any date, the Series 2015 Bonds theretofore or thereupon being authenticated and delivered under this 2015 Resolution, except: (i) such Series 2015 Bonds cancelled pursuant to this 2015 Resolution at or prior to such date; (ii) such Series 2015 Bonds (or portions thereof) for the payment or redemption or purchase for cancellation of which sufficient moneys shall be held in trust under this 2015 Resolution and set aside for such purpose (whether at or prior to the maturity or redemption date), provided that if such Series 2015 Bonds (or portions thereof) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Bond Registrar shall have been made for the giving of the notice of redemption; (iii) such Series 2015 Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered hereunder; and (iv) such Series 2015 Bonds deemed to have been paid as provided in Section 19 hereof.

“Owner” shall mean any person in whose name any Senior Bond is registered on the bond register maintained by the bond registrar for such Senior Bond.

“Pledged Revenues” shall mean:

(a) all moneys paid into the State Highway Fund from (i) fees, excises, or license taxes relating to the registration, operation or use of vehicles on the public highways, or to fuel used for the propulsion of such vehicles, as prescribed by Article IX, Section 14 of the Constitution of the State of Arizona, and (ii) the monies distributed pursuant to Section 28-5808, Arizona Revised Statutes; and

(b) to the extent permitted by law, including the Act and the Constitution of the State of Arizona, such additional or other money as the Board may, by a subsequent resolution, add to the definition of Pledged Revenues.

“2015 Resolution” shall mean this Resolution, as amended or supplemented from time to time in accordance with its terms.

“Senior Bonds” shall mean, collectively, the Outstanding Series 2005A Bonds, Series 2005B Bonds, Series 2006 Bonds, Series 2008A Bonds, Series 2008B Bonds, Series 2015 Bonds and any Additional Senior Bonds that may be subsequently issued.

“Senior Bond Fund” shall mean the Bond Fund established under the 1980 Resolution for payment of principal of, premium, if any, and interest on the Senior Bonds.

“Senior Bond Resolutions” shall mean the 1980 Resolution, the 2005A Resolution, the 2005B Resolution, the 2006 Resolution, the 2008 Resolution, this 2015 Resolution and any subsequent resolution authorizing Additional Senior Bonds, in each case as amended or supplemented from time to time in accordance with the respective terms thereof; provided, however, that when Series 2005A Bonds, the Series 2005B Bonds, the Series 2006 Bonds, the Series 2008A Bonds, the Series 2008B Bonds, the Series 2015 Bonds have been paid or provided for as provided under the terms of the 2005A Resolution, the 2005B Resolution, the 2006 Resolution, the 2008 Resolution or this 2015 Resolution, as applicable, then the provisions of such Senior Bond Resolution shall have no further effect except with respect to such Series of Senior Bonds that were issued under such Senior Bond Resolution and that remain unpaid.

“State Highway Fund” shall mean the State Highway Fund established by Section 28-6991, Arizona Revised Statutes.

“Underwriters” shall mean the investment banking firms designated by the Board in a separate resolution or in the Certificate of Award.

Section 2. Authority for this 2015 Resolution; No Other Amendments of Existing Senior Bond Resolutions.

(a) This 2015 Resolution is adopted pursuant to the provisions of the Act.

(b) This 2015 Resolution shall be deemed to supplement the existing Senior Bond Resolutions to provide for the issuance of the Series 2015 Bonds.

No portion of this 2015 Resolution is intended, nor shall be deemed, to amend, change or alter the 1980 Resolution, the 2005A Resolution, the 2005B Resolution, the 2006 Resolution, the 2008 Resolution and the 1991 Subordinated Resolution, and the Board hereby declares that each of the 1980 Resolution, the 2005A Resolution, the 2005B Resolution, the 2006 Resolution, the 2008 Resolution and the 1991 Subordinated Resolution are and shall remain in full force and effect.

(c) The Series 2015 Bonds shall constitute (i) “Bonds” and additional parity bonds under the existing Senior Bond Resolutions and (ii) Senior Bonds under the 1991 Subordinated Resolution.

(d) All funds and accounts created by the 1980 Resolution and 1991 Subordinated Resolution for the benefit of the Senior Bonds shall be kept in full force and effect and shall in every respect be used to service the Series 2015 Bonds in the same manner and with the same effect as the other Senior Bonds.

Section 3. Authorization, Purpose and Terms of Series 2015 Bonds.

(a) Authorization and Designation. One or more series of Senior Bonds, which are entitled to the benefit, protection and security of the 1980 Resolution, is hereby authorized in an

aggregate principal amount not exceeding the amount necessary to accomplish the refunding of any or all of the Outstanding Senior Bonds and to pay any bond related expenses which are permitted under the Act. Such series of Senior Bonds shall be designated as, and shall be distinguished from the Senior Bonds of all other series by the title, "Arizona Transportation Board, Highway Revenue Refunding Bonds, Series 2015." If the Series 2015 Bonds are issued in more than one series, each series shall be identified by the addition of the letter A, B, C, etc. in the name "Series 2015-." The Series 2015 Bonds may be issued as tax-exempt or taxable bonds. The Series 2015 Bonds shall be sold as provided in Section 4.

(b) Purpose. The purpose for which the Series 2015 Bonds are issued is (i) to refund the Bonds to be Refunded and (ii) to pay costs of any highway purpose, bond related expense or bond related obligation, permitted under the Act, including, without limitation, paying interest on bonds or notes issued by the Board for highway purposes.

(c) Date, Maturity and Interest. The Series 2015 Bonds shall be dated as of their date of issuance as specified in the Certificate of Award, and shall bear interest from the most recent date to which interest has been paid or duly provided for, or, if no interest has been paid, from their dated date, until the principal sum thereof has been paid or duly provided for.

The Series 2015 Bonds shall bear interest payable on January 1 and July 1 of each year commencing, July 1, 2015, or such other date as specified in the Certificate of Award (the "Interest Payment Dates"), at the interest rate or rates and shall mature on July 1 in any or all of the years 2015 through 2033 and in the principal amounts, as set forth in the Certificate of Award for each series; provided that the stated interest rate shall not exceed 6.0%. The interest on the Series 2015 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(d) Denomination, Numbers and Letters. The Series 2015 Bonds shall be issued in registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Unless the Board shall otherwise direct, each series of the Series 2015 Bonds shall be numbered from one upward, preceded by the letter "R" prefixed to the number.

Section 4. Sale of Series 2015 Bonds; Approval of Bond Purchase Agreement, Official Statement and Other Documents.

(a) In connection with the issuance, securing and sale of the Series 2015 Bonds, the Director and Chief Financial Officer shall cause to be prepared forms of the following:

(i) a Preliminary Official Statement (the "Preliminary Official Statement") of the Board to be used in connection with the marketing of the Series 2015 Bonds, which shall be substantially in the form of the draft Preliminary Official Statement on file with the Secretary of the Board, with changes as are necessary or appropriate, consistent with this Series 2015 Resolution, to reflect the terms of the Series 2015 Bonds and their security, with the approval of any such changes to be conclusively evidenced by the execution of the Deemed Final Certificate described in (b) below;

(ii) a Continuing Disclosure Undertaking by the Board and the Department for the beneficial owners of the Series 2015 Bonds (the "Disclosure Undertaking"), concerning

disclosure obligations under Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5), which shall be substantially in the form of the draft Continuing Disclosure Undertaking on file with the Secretary of the Board, with changes necessary or appropriate to reflect the terms of the Series 2015 Bonds; and

(iii) an Escrow Agreement (the “2015 Escrow Agreement”) between the Board and the bank or trust company named therein pursuant to Section 11 hereof, as escrow agent (the “2015 Escrow Agent”), which shall be substantially in the form of the draft 2015 Escrow Agreement on file with the Secretary of the Board, with changes necessary or appropriate to reflect the terms of the Bonds to be Refunded.

(b) The use and distribution by the Underwriters of the Preliminary Official Statement, described in subsection (a)(i) above, is hereby authorized. The Board’s Chair or Vice Chair or the Director is authorized to deem such Preliminary Official Statement “final,” for the purposes of SEC Rule 15c2-12, with approval of any changes conclusively evidenced by the execution of the Bond Purchase Agreement (described in (d) below) or of a separate certificate (collectively referred to as the “Deemed Final Certificate”).

(c) The Department is hereby authorized to prepare, on behalf of the Board, a final Official Statement for the Series 2015 Bonds, which shall be substantially in the form of the deemed “final” Preliminary Official Statement, for use in connection with the public offering and sale of the Series 2015 Bonds, with such changes, insertions and omissions as may be approved by an Authorized Board Representative, in his official capacity. The Chair or Vice Chair of the Board and the Director are each hereby authorized and directed, in their official capacities, to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the Board and the Department, with such changes therein, consistent with this Series 2015 Resolution, as shall be approved by an Authorized Board Representative, and thereupon to cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters, with approval of any changes, insertions or omissions to be conclusively evidenced by an Authorized Board Representative’s execution and delivery thereof.

(d) The Series 2015 Bonds (or each series of the Series 2015 Bonds, if there are more than one series) shall be sold under a bond purchase agreement (the “Bond Purchase Agreement”) with the Underwriters, which Bond Purchase Agreement shall be substantially in the form of the Bond Purchase Agreement, dated September 8, 2008, for the Series 2008B Bonds, with such changes therein as shall be approved by the Chair or Vice Chair of the Board, or if the Chair or Vice Chair is not available to sign at the time of the sale, by the Director or Chief Financial Officer, with the approval of any changes, insertions or omissions to be conclusively evidenced by the execution and delivery thereof.

(e) At any time after the Underwriters are selected, the Series 2015 Bonds (or each series of the Series 2015 Bonds) may be sold to the Underwriters in a negotiated sale at the purchase price set forth in the Bond Purchase Agreement, which purchase price shall not be less than 99% of the principal amount of such series (exclusive of any original issue discount) plus accrued interest to the date of issuance and delivery.

The sale of each series of the Series 2015 Bonds shall be evidenced by a Certificate of Award signed by the Chair or Vice Chair of the Board, or if the Chair or Vice Chair is not available to sign at the time of the sale, by the Director or Chief Financial Officer, which shall be consistent with the provisions of this 2015 Resolution and shall specify with respect to each series of the Series 2015 Bonds as follows: whether there shall be one or more series and the designation (A, B, C, etc.) of the series if there are more than one series; the Underwriters; the interest rate or rates; the maturity date or dates; whether any of the Series 2015 Bonds will be issued as taxable bonds; which Outstanding Senior Bonds will constitute the Bonds to be Refunded; the provisions for redemption prior to their stated maturity dates; the date for the delivery and payment of such series (which date may be changed as provided in the Bond Purchase Agreement); the name of the Paying Agent and Bond Registrar for the Series 2015 Bonds; together with such additional information as required by the terms of this 2015 Resolution.

(f) The Chair or Vice Chair of the Board and the Director are each hereby authorized and directed to execute and deliver the Disclosure Undertaking and the 2015 Escrow Agreement, with such changes, insertions and omissions from the draft Disclosure Undertaking and the draft 2015 Escrow Agreement, respectively, as are approved, said execution being conclusive evidence of such approval.

(g) The Chair, the Vice Chair and each officer of the Board and the Director (the "Authorized Officers"), acting singly shall be, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments, and the Authorized Officers and the Chief Financial Officer and each other appropriate official of the Department acting singly is authorized and directed to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this 2015 Resolution, the Official Statement, the Bond Purchase Agreement, the 2015 Escrow Agreement, the Certificate of Award, the Disclosure Undertaking, the Tax Compliance Certificate (identified in Section 16(b)), the letter of representations to The Depository Trust Company and any agreement with the provider of municipal bond insurance securing the payment of principal and interest on the Series 2015 Bonds.

(h) All actions taken by the Director, Chief Financial Officer or the staff or agents of the Department or the Board preparatory to the offering, sale, issuance and delivery of the Series 2015 Bonds are hereby ratified and confirmed.

(i) The publication of the notice of intention to issue the Series 2015 Bonds, as required by the Act, is hereby authorized, ratified and confirmed and there is hereby authorized the publication of any other notice required by the Act in connection with the matters contemplated herein.

Section 5. Redemption of Series 2015 Bonds.

(a) Optional Redemption. As set forth in the Certificate of Award, the Series 2015 Bonds shall either (i) not be subject to optional redemption prior to maturity, or (ii) be subject to redemption prior to maturity at the option of the Board, at any time on or after the earliest optional redemption date set forth in the Certificate of Award, in whole or in part at the

redemption price (expressed as a percentage of the principal amount redeemed) set forth in the Certificate of Award (but not exceeding 103%), plus accrued interest to the date fixed for redemption.

If the Series 2015 Bonds are subject to optional redemption, the Board shall give written notice to the Bond Registrar (appointed pursuant to Section 8) of its election to optionally redeem such Series 2015 Bonds, of the redemption date and of the principal amounts of each maturity to be redeemed. Such notice shall be given at least 40 days prior to the redemption date or such shorter period (but not less than 30 days prior to such redemption date) as shall be acceptable to the Bond Registrar.

(b) Mandatory Sinking Fund Redemption. The Certificate of Award shall also determine whether any of the Series 2015 Bonds shall be term bonds and subject to mandatory sinking fund redemption, as provided in this subsection (b), and shall determine the dollar amount and the July 1 in the years upon which such term bond or bonds shall be subject to mandatory sinking fund redemption.

Each Series 2015 Bond that is a term bond shall be subject to mandatory redemption, by lot, prior to maturity pursuant to the mandatory sinking fund requirements on July 1 in the years set forth in the Certificate of Award.

The Board shall have the option to deliver for cancellation to the Bond Registrar any Series 2015 Bonds which are term bonds, in any aggregate principal amount, and to receive a credit therefor against the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) in the year or years designated by the Board to the Bond Registrar. That option shall be exercised by the Board on or before the 35th day preceding a mandatory redemption date, by furnishing to the Bond Registrar a certificate, executed by the Authorized Board Representative, setting forth the extent of the credit to be applied with respect to the mandatory sinking fund requirement(s) in the year or years designated in the certificate. If the certificate is not furnished timely to the Bond Registrar, no credit shall be made against the next mandatory sinking fund requirement (and corresponding mandatory redemption obligation), although credits may be available against subsequent mandatory sinking fund requirements.

To the extent not applied theretofore as a credit against any mandatory sinking fund requirement, a credit against the mandatory sinking fund requirement (and the corresponding mandatory redemption obligation) described in the preceding paragraph shall also be received by the Board for any Series 2015 Bonds which mature on the applicable term maturity date and which prior thereto have been purchased or redeemed other than through the operation of the mandatory sinking fund requirements or have been purchased for cancellation and cancelled by the Bond Registrar.

If the Board fails to designate which year's mandatory sinking fund requirement should receive the credit for Series 2015 Bonds that are term bonds so delivered to the Bond Registrar, then the credit shall be applied to the requirement next following delivery of such Series 2015 Bonds.

Each Series 2015 Bond that is a term bond so delivered, redeemed previously, or purchased and cancelled, shall be credited by the Bond Registrar at 100 percent of the principal amount thereof against the mandatory sinking fund requirement, subject to the completion of the procedures described above.

(c) Board Payment of Redemption Price. In the event notice of redemption shall have been given as provided in subsection (e) and subject to subsection (e)(iii), the Board shall, on or prior to such redemption date, deposit with the State Treasurer in the Redemption Account of the Senior Bond Fund moneys, from any lawfully available source, that are sufficient, together with moneys in the Interest Account and the Principal Account of the Senior Bond Fund and available for such purpose, to pay the principal of, premium, if any, and interest on such Series 2015 Bonds to be redeemed. The Board directs the State Treasurer to pay from the Redemption Account, on or prior to the redemption date, to the Paying Agent (appointed pursuant to Section 8) an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agent, will be sufficient to redeem on the redemption date at the redemption price thereof, plus interest accrued and unpaid to the redemption date, all of the Series 2015 Bonds to be redeemed. The State Treasurer shall promptly notify the Board in writing of all such payments by it to such Paying Agent.

(d) Selection of Series 2015 Bonds to be Redeemed. If less than all Outstanding Series 2015 Bonds are called for optional redemption, the maturity or maturities of Series 2015 Bonds to be redeemed shall be selected by the Board; and within any maturity so selected for optional redemption and for any term bond subject to mandatory sinking fund redemption, the bonds to be redeemed shall be selected by the Bond Registrar at random within such maturity in any manner which the Bond Registrar deems fair and appropriate.

(e) Notice of Redemption.

(i) When the Bond Registrar shall receive notice from the Board of its election to optionally redeem Series 2015 Bonds pursuant to subparagraph (a), and when Series 2015 Bonds that are term bonds are subject to mandatory sinking fund redemption pursuant to subparagraph (b), the Bond Registrar shall give notice, in the name of the Board, of the redemption of such Bonds, which notice shall specify: the maturities to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2015 Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Series 2015 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such redemption date there shall become due and payable upon each Series 2015 Bond to be redeemed the redemption price thereof, or the redemption price of the specified portions of the principal thereof in the case of Series 2015 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.

Such notice shall be mailed by the Bond Registrar, first class postage prepaid, not less than 30 days prior to the redemption date, to the Owners of any Series 2015 Bonds or portions

thereof which are to be redeemed, at their last addresses appearing upon the bond register of the Board maintained by the Bond Registrar.

The failure of the Bond Registrar to mail any notice or any defect in the notice to the Owner of any Series 2015 Bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Series 2015 Bonds for which notice is properly given. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

(ii) In addition to the notice specified in (i), further notice shall be given by the Bond Registrar and record of payment of redemption price made as set out below, but no defect in said further notice or record nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in (i) above.

(A) Each further notice of redemption given hereunder shall contain the information required in (i) above for an official notice of redemption plus: (I) the CUSIP numbers of all Series 2015 Bonds being redeemed; (II) the date of issue of such Bonds as originally issued; (III) the rate of interest borne by each such Bond being redeemed; (IV) the maturity date of each such Bond being redeemed; and (V) any other descriptive information needed to identify accurately such Bonds being redeemed.

(B) Each further notice of redemption shall be sent at least 30 days before the redemption date by registered or certified mail or overnight delivery service (at the expense of the addressee) to the recognized national information services that disseminate notices of redemption of obligations such as the Series 2015 Bonds.

(C) Upon the payment of the redemption price of such Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 2015 Bonds being redeemed with the proceeds of such check or other transfer.

(iii) If at the time of mailing of notice of an optional redemption of the Series 2015 Bonds there has not been deposited with the State Treasurer in a subaccount in the Senior Bond Fund moneys or Defeasance Securities (as defined in Section 19(c) and maturing on or before the redemption date) sufficient to redeem all the Series 2015 Bonds called for optional redemption, then such notice shall state that the optional redemption is conditional upon the deposit of moneys or such Defeasance Obligations sufficient for the redemption with the State Treasurer not later than the opening of business on the redemption date, and such notice will be of no effect and such Series 2015 Bonds shall not be optionally redeemed unless such moneys or Defeasance Obligations are so deposited.

(f) Payment of Redeemed Series 2015 Bonds. Notice having been given in the manner provided in subsection (e)(i), the Series 2015 Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the redemption price (subject to (e)(iii) above), plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such

Bonds, or portions thereof, shall be paid at the redemption price, plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of a particular Series 2015 Bond, the Board shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount thereof so surrendered, Series 2015 Bond or Bonds in any of the authorized denominations of the same maturity date.

If, on the redemption date, moneys for the redemption of all Series 2015 Bonds being redeemed or portions thereof, together with interest to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as provided in subsection (e)(i), then, from and after the redemption date interest on the Series 2015 Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

All moneys held by the Paying Agent for the redemption of particular Series 2015 Bonds, including accrued interest to the redemption date, shall be held in a separate fund on its books and held in trust solely for the account of the Owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds, except that any interest earned on such moneys, subsequent to any redemption date as to which proper notice of redemption has been given, shall be retained by the Paying Agent and paid to the Board and will not be payable to the Owners.

(g) Purchase of Series 2015 Bonds in Lieu of Redemption. If any Series 2015 Bond is called for optional redemption in whole or in part, the Board may elect, as provided in this Subsection (g), to have such Bond purchased in lieu of redemption in accordance with this Subsection (g).

(i) Purchase in Lieu of Redemption. Purchase in lieu of redemption shall be available to all Series 2015 Bonds called for optional redemption or for such lesser portion of such Series 2015 Bonds as constitute authorized denominations. The Authorized Board Representative may direct the Paying Agent, or another agent appointed by the Authorized Board Representative to make such purchase, to purchase all or such lesser portion of the Series 2015 Bonds called for optional redemption. Any such direction to the Paying Agent must: (A) be in writing; (B) state either that all the Series 2015 Bonds called for redemption are to be purchased or, if less than all of the Series 2015 Bonds called for redemption are to be purchased, identify those Series 2015 Bonds to be purchased by maturity date and outstanding principal amount in authorized denominations; and (C) be received by the Paying Agent no later than 12:00 noon one Business Day prior to the scheduled redemption date thereof.

If so directed, the Paying Agent shall purchase such Series 2015 Bonds on the date which otherwise would be the redemption date of such Series 2015 Bonds. Any of the Series 2015 Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by this 2015 Resolution on such redemption date.

(ii) Withdrawal of Direction to Purchase. On or prior to the scheduled redemption date, any direction given to the Paying Agent pursuant to this Subsection (g) may be

withdrawn by the Authorized Board Representative by written notice to the Paying Agent. Subject generally to this 2015 Resolution, should a direction to purchase be withdrawn, the scheduled redemption of such Series 2015 Bonds shall occur.

(iii) Purchaser. If the purchase is directed by the Authorized Board Representative, the purchase shall be made for the account of the Board or its designee.

(iv) Purchase Price. The purchase price of the Series 2015 Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Series 2015 Bonds on the scheduled redemption date for such redemption. To pay the purchase price of such Series 2015 Bonds, the Paying Agent shall use: (A) money, if any, deposited by the Department with the Paying Agent for such purpose; and (B) money, if any, in the Redemption Account of the Senior Bond Fund that the State Treasurer, pursuant to Subsection (c) hereof, transfers to the Paying Agent to pay the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, that would have been payable on the optional redemption of such Series 2015 Bonds on the scheduled redemption date. The Paying Agent shall not purchase the Series 2015 Bonds pursuant to this Subsection (g) if by no later than the redemption date, sufficient moneys have not been deposited with the Paying Agent or such moneys are deposited, but are not available.

(v) No Notice to Bondholders. No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under Subsection (e) hereof).

Section 6. Book Entry Only System; Payment, Registration and Replacement of Series 2015 Bonds.

(a) Book Entry Only System. The Series 2015 Bonds shall be initially issued to a Depository for holding in a Book Entry Only System, without further action by the Board. While in the Book Entry Only System, there shall be a single bond representing the entire aggregate principal amount of each maturity of the Series 2015 Bonds, and such bond shall be registered in the name of the Depository or its nominee, as Owner, and immobilized initially in the custody of the Depository or its designee. While in the Book Entry Only System, the Series 2015 Bonds shall not be transferable or exchangeable, except for (i) transfer to a successor Depository or its nominee, (ii) withdrawal of the Series 2015 Bonds in Book Entry Only Form from the Depository as provided in the next succeeding paragraph of this subsection (a), and (iii) exchange of a Series 2015 Bond in Book Entry Only Form for another Series 2015 Bond in Book Entry Only Form in an amount equal to the outstanding aggregate principal amount of such Bond. While in the Book Entry Only System, the beneficial owners of book entry interests in the Series 2015 Bonds shall not have any right to receive Series 2015 Bonds in the form of physical certificates.

The Bond Registrar, pursuant to a request by the Chief Financial Officer for the removal or replacement of the Depository, and upon 30 days' written notice to the Depository, may remove or replace the Depository. The Bond Registrar agrees to remove or replace the Depository at any time at the request of the Chief Financial Officer. The Depository may

determine not to continue to act as Depository for the Series 2015 Bonds upon 30 days' written notice to the Bond Registrar, Board and the Chief Financial Officer.

If the use of the Book Entry Only System is discontinued, then (i) the Bond Registrar shall make provision, by appropriate notice to the then Depository, for notification by the Depository of the beneficial owners of their book entry interests in the Series 2015 Bonds, and thereafter (ii) the Board and the Bond Registrar shall permit withdrawal of the Series 2015 Bonds from the Depository and shall authenticate and deliver Series 2015 Bond certificates in fully registered form and in denominations authorized by Section 3(d) to the assignees of the Depository or its nominee, as directed by the Depository. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing, and delivering, such replacement Series 2015 Bond certificates) of the Board.

(b) Place and Method of Payment. The principal of the Series 2015 Bonds shall be payable at the designated office of the Paying Agent. The principal of the Series 2015 Bonds may be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents, as permitted by Section 8.

Interest on the Series 2015 Bonds shall be paid by check or draft mailed by the Paying Agent on the Interest Payment Date to the persons whose names shall appear in the bond register as the Owners of such Series 2015 Bonds as of the close of business of the Bond Registrar on the fifteenth day of the month immediately preceding any Interest Payment Date (the "Record Date"); provided, however, any interest on any Series 2015 Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (hereinafter "Defaulted Interest"), shall forthwith cease to be payable to the Owner on the relevant Record Date by virtue of having been such Owner; and such Defaulted Interest shall be paid to the persons in whose names such Bond is registered at the close of business on a date (hereinafter the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Board shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each such Bond and the date of the proposed payment, and at the same time the Board shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Paying Agent of the notice of the proposed payment. The Paying Agent shall promptly notify the Board of such Special Record Date and, in the name and at the expense of the Board, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Owner at such address as appears in the registration books of the Board, not less than 10 days prior to such Special Record Date.

The Depository and any Owners of \$1,000,000 or more of aggregate principal amount of Series 2015 Bonds shall be paid interest, principal and premium, if any, by wire transfer to any bank account located in the continental United States, at the expense of the Board in the case of the Depository and of such Owner, if such Owner has requested, in writing, payment in such

manner to the Paying Agent and has furnished the wire address to the Paying Agent in writing on or prior to the Record Date, which request shall remain effective until revoked or changed in writing.

(c) Registered Owner as Owner. The registration of any Series 2015 Bond may be transferred, and any Series 2015 Bond may be exchanged and/or cancelled, in the manner and with the effect set forth in (d) and (e) herein.

The Board, the Paying Agent and Bond Registrar may deem and treat the person in whose name any Series 2015 Bond shall be registered upon the bond register as the absolute owner of such Series 2015 Bond for any and all purposes, and the Board, the Paying Agent and Bond Registrar shall not be affected by any notice to the contrary.

(d) Transfer and Exchange. Subject to the provisions of subsection (a) hereof, the registration of any Series 2015 Bond may, in accordance with its terms, be transferred upon the bond register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Series 2015 Bond for cancellation at the designated office of the Bond Registrar, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar and duly executed by such Owner or his or her authorized attorney. Subject to the provisions of subsection (a) hereof, Series 2015 Bonds may be exchanged at the designated office of the Bond Registrar for a like aggregate principal amount of Series 2015 Bonds of other authorized denominations of the same maturity. The Bond Registrar will not charge for any new Series 2015 Bonds issued upon any transfer or exchange, but may require the Owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

Whenever any Series 2015 Bond or Bonds shall be surrendered for registration of transfer or exchange, the Board shall execute and the Bond Registrar shall authenticate and deliver a new Series 2015 Bond or Bonds in authorized denominations of the same maturity, for a like aggregate principal amount. The Bond Registrar shall not be required to register transfers or make exchanges (i) for a period of 15 days preceding any Interest Payment Date, or (ii) for a period of 15 days next preceding any selection of Series 2015 Bonds to be redeemed, or (iii) of any Series 2015 Bonds chosen for redemption.

(e) Mutilated, Damaged and Destroyed Series 2015 Bonds. If any Series 2015 Bond shall become mutilated, the Board, at the expense of the Owner, shall execute and the Bond Registrar shall authenticate and deliver a new Series 2015 Bond of like tenor and maturity in exchange and substitution for the Series 2015 Bond so mutilated, but only upon surrender to the Bond Registrar of the Series 2015 Bond so mutilated. Every mutilated Series 2015 Bond so surrendered to the Bond Registrar shall be cancelled and delivered to or upon the order of the Board. If any Series 2015 Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Registrar. If such evidence is satisfactory to the Board and the Bond Registrar and if an indemnity satisfactory to the Board and the Bond Registrar shall be given, then the Board, at the expense of the Owner, shall execute and the Bond Registrar shall authenticate and deliver a new Series 2015 Bond of like tenor and maturity, numbered and dated as the Bond Registrar shall determine, in lieu of and in substitution for the Series 2015 Bond so lost, destroyed or stolen. Any Series 2015 Bond issued under the

provisions of this subsection in lieu of any Series 2015 Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Series 2015 Bonds secured hereby. The Bond Registrar shall not treat both the original Series 2015 Bond and any duplicate Series 2015 Bond as being Outstanding for the purpose of determining the principal amount of Series 2015 Bonds which may be executed and delivered hereunder or for the purpose of determining any percentage of Series 2015 Bonds Outstanding hereunder, but both the original and duplicate Series 2015 Bond shall be treated as one and the same. Notwithstanding any other provision of this subsection, in lieu of delivering a new Series 2015 Bond for a Series 2015 Bond which has been mutilated, lost, destroyed or stolen, and which has matured or been called for redemption, the Bond Registrar may, at the direction of the Board, make payment with respect to such Series 2015 Bond.

Section 7. Execution and Authentication of Series 2015 Bonds.

(a) The Series 2015 Bonds shall be executed on behalf of the Board by its Chair or its Vice Chair and attested by the Director, by the officers who may be in office as of the dated date of the Series 2015 Bonds or at any time thereafter prior to the delivery of the Series 2015 Bonds to the Underwriters, by the facsimile signature of both such officers. The Director is authorized and directed to cause the seal of the Department to be reproduced on the Series 2015 Bonds. Series 2015 Bonds issued under this 2015 Resolution and bearing the facsimile signatures of such officers shall be valid and binding obligations notwithstanding that before the delivery thereof and payment therefor, any or all of the officers whose signatures appear thereon shall no longer personally act in the official capacity evidenced by the respective signature.

(b) The Series 2015 Bonds shall be authenticated by the manual signature of the Bond Registrar, as authenticating agent. Only such Series 2015 Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A of this 2015 Resolution, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this 2015 Resolution. Such certificate of authentication shall be conclusive evidence that the Series 2015 Bonds so authenticated have been duly executed, authenticated and delivered under and are entitled to the benefits of this 2015 Resolution.

Section 8. Designation, Resignation or Removal of Paying Agent and Bond Registrar; Appointment of Successor for Series 2015 Bonds.

(a) A trust company or bank identified in the Certificate of Award shall serve as the authenticating agent, Bond Registrar and Paying Agent for the Series 2015 Bonds. The Bond Registrar shall keep or cause to be kept at its designated office, the bond registration books for the registration and transfer of the Series 2015 Bonds.

(b) Any Paying Agent or Bond Registrar may at any time resign and be discharged of the duties and obligations created by this 2015 Resolution, without the consent of or prior notice to the Owners of the Series 2015 Bonds, by giving at least 60 days written notice to the Board and the other Paying Agents, if any, and the Bond Registrar. Any Paying Agent or Bond Registrar may be removed at any time by an instrument filed with such Paying Agent or Bond Registrar and signed by an Authorized Board Representative, provided that such removal shall

not be effective until the appointment of a successor Bond Registrar and/or Paying Agent. Any successor Paying Agent or Bond Registrar shall be appointed by the Board and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this 2015 Resolution.

(c) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the State Treasurer.

(d) The Chief Financial Officer shall make all necessary contractual arrangements with the Paying Agent or Agents and Bond Registrar to facilitate the orderly payment of the principal of, premium, if any, and interest on the Series 2015 Bonds.

Section 9. Bond Form and the Bond Registrar's Certificate of Authentication.
The form of the Series 2015 Bonds shall be in substantially the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary, desirable, authorized or permitted by this 2015 Resolution.

Section 10. Series 2015 Bond Proceeds.

(a) The proceeds from the sale of the Series 2015 Bonds, including accrued interest, if any, except for any amount to be deposited into the 2015 Escrow Agreement (as defined in Section 4(a)(iii) hereof), shall be paid to the State Treasurer, who shall give a receipt therefor. The State Treasurer is directed to deposit such proceeds from the sale as follows:

(i) All accrued interest, if any, shall be deposited into the Interest Account of the Senior Bond Fund; and

(ii) To the Series 2015 Bond Proceeds Account in the Highway Bond Proceeds Fund, the balance.

(b) From the proceeds from the sale of the Series 2015 Bonds, the amount set forth in the 2015 Escrow Agreement shall be deposited with the 2015 Escrow Agent (identified in the Certificate of Award) for deposit in the 2015 Escrow Account created in Section 11 hereof, and the 2015 Escrow Agent shall give a receipt for such deposit. The amount deposited into the 2015 Escrow Account shall be the amount necessary, together with any other moneys deposited in the 2015 Escrow Account, to defease the Bonds to be Refunded to their Redemption Date.

(c) The State Treasurer shall create the Series 2015 Bond Proceeds Account in the Highway Bond Proceeds Fund.

(d) All expenses in connection with the issuance of the Series 2015 Bonds shall be paid from the Series 2015 Bond Proceeds Account upon written instructions from the Authorized Board Representative to the State Treasurer, in accordance with contractual provisions or actual invoices for such bond issuance costs.

Section 11. Defeasance of the Bonds to be Refunded.

(a) There is hereby created a separate account designated as the “Highway Revenue Refunding Bonds, 2015 Escrow Account” (the “2015 Escrow Account”). The 2015 Escrow Account shall be held by the 2015 Escrow Agent pursuant to the 2015 Escrow Agreement.

The Certificate of Award shall designate the bank or trust company to serve as 2015 Escrow Agent under the 2015 Escrow Agreement.

(b) Contemporaneously with the delivery of the Series 2015 Bonds, the State Treasurer shall transfer or cause to be transferred to the 2015 Escrow Agent for deposit in the 2015 Escrow Account:

(i) the amount of money, if any, specified in the 2015 Escrow Agreement, in immediately available funds from the Senior Bond Fund (but not exceeding an amount which represents deposits therein for payment of the interest on and principal of the Bonds to be Refunded on the next interest payment date); and

(ii) such other immediately available funds of the Board or Department lawfully available for such purpose, as provided pursuant to the terms of the 2015 Escrow Agreement.

Such amounts, together with the proceeds of the Series 2015 Bonds to be deposited in the 2015 Escrow Account pursuant to Section 10 hereof, shall be sufficient, together with the known minimum yield to be derived from the initial investment of such moneys, to pay (i) interest to and including the applicable Redemption Date on the Bonds to be Refunded, as and when due; and (ii) on the applicable Redemption Date, the principal amount plus premium, if any, of the Bonds to be Refunded (collectively, the “Refunded Bond Requirements”).

(c) The 2015 Escrow Agent shall apply amounts on deposit in the 2015 Escrow Account to the payment of the Refunded Bond Requirements pursuant to the 2015 Escrow Agreement.

(d) The Bonds to be Refunded identified in the Certificate of Award shall be and hereby are irrevocably ordered to be called for redemption and paid on their respective Redemption Date, upon issuance of the Series 2015 Bonds for the purpose of refunding the Bonds to be Refunded and the deposit of proceeds thereof in the 2015 Escrow Account. Upon execution of the 2015 Escrow Agreement and delivery of the Series 2015 Bonds for refunding purposes, the Board hereby directs the bond registrar for the Bonds to be Refunded to give notice of the provision for the payment of the Bonds to be Refunded, as required by the 2015 Escrow Agreement or such resolution under which the Bonds to be Refunded were issued. Such notice shall be in addition to the notice of redemption required by the resolution under which the Bonds to be Refunded were issued.

The Board hereby directs the Authorized Board Representative to deliver the notice of such defeasance and redemption as required under each Continuing Disclosure Undertaking for the Bonds to be Refunded.

(e) The amounts on deposit in the 2015 Escrow Account shall be invested solely as provided in the 2015 Escrow Agreement. If the 2015 Escrow Agreement so provides, the Authorized Board Representative is hereby authorized and directed to enter into a forward purchase agreement for the purchase of Defeasance Obligations (as defined in the 2015 Escrow Agreement) with a financial institution or other appropriate party, as permitted under the terms of the 2015 Escrow Agreement.

(f) The 2015 Escrow Agent is hereby authorized and directed to subscribe, upon behalf of the Board, for the purchase of the State and Local Government Series obligations, if any, that are to be acquired and held in the 2015 Escrow Account pursuant to the 2015 Escrow Agreement.

Section 12. Pledge of Revenues; Sources of Payments. The Series 2015 Bonds, together with Outstanding Senior Bonds and Additional Senior Bonds hereafter issued as herein provided, are special obligations of the Board and are payable from and equally and ratably secured solely by a first lien, and by a pledge of, Pledged Revenues, subject to the permitted expenditure of bond proceeds as provided in Section 28-7509, Arizona Revised Statutes.

Notwithstanding anything in this 2015 Resolution or the Series 2015 Bonds, neither the State of Arizona nor the Board shall be required to advance any moneys derived from any source of income other than the Pledged Revenues for payment of the Series 2015 Bonds; provided that the Board may, in its discretion, pay Series 2015 Bonds from any lawfully available funds of the Board.

Section 13. Highway Bond Proceeds Fund and Bond Fund Investments. All investment income from the proceeds of the Series 2015 Bonds (exclusive of the 2015 Escrow Account) shall be deposited in the Highway Bond Proceeds Fund.

Section 14. Issuance of Additional Senior Bonds.

(a) The Board, for itself, its successors and assigns, covenants and agrees with the Owners of the Series 2015 Bonds herein authorized that, so long as any of the Series 2015 Bonds shall remain Outstanding, any Additional Senior Bonds payable from the Pledged Revenues on a parity with the Series 2015 Bonds shall be issued only when the following conditions have been met, to the satisfaction of the Board as shown by a certificate of the Chair, Vice Chair or Director pertaining thereto:

(i) All of the payments of principal and interest on the then Outstanding Senior Bonds are current; and

(ii) The moneys subject to the pledge for payment of the Senior Bonds for the preceding twelve-month period was not less than 400% of the highest annual principal and interest payments on all Outstanding Senior Bonds for the highest aggregate one-year period during the life of Outstanding Senior Bonds, including the principal and interest payments on the Additional Senior Bonds proposed to be issued, but excluding the principal and interest on any Senior Bonds to be refunded that shall not be Outstanding immediately after the issuance of such proposed Additional Senior Bonds; and

(iii) Subject to (v), the Additional Senior Bonds proposed to be issued shall be payable as to principal and interest on such date or dates as the Board shall determine in the Senior Bond Resolution authorizing such Bonds; and

(iv) The proceeds from the sale of the Additional Senior Bonds shall be used for any lawful highway purpose permitted by the Act, including refunding any bonds; and

(v) All other requirements of law existing on the date such Additional Senior Bonds are issued including, without limitation, the provisions of Section 28-7510, Arizona Revised Statutes (so long as that section contains tests which pertain to the issuance of parity bonds) have been met.

(b) The Board acknowledges that, solely for the benefit of the Owners of the Subordinated Bonds and not for the benefit of the Owners of any Senior Bonds, it has covenanted that prior to issuance of any Additional Senior Bonds, so long as Section 606 of the 1991 Subordinated Bond Resolution imposes conditions for the issuance of Additional Senior Bonds and there will be Subordinated Bonds Outstanding after the issuance of such Additional Senior Bonds and giving effect to the application of the proceeds thereof, the requirements of Section 606 of the 1991 Subordinated Bond Resolution shall be satisfied.

Section 15. Agreement of State. Pursuant to the authority contained in Section 28-7512, Arizona Revised Statutes, the Board as agent for the State of Arizona hereby pledges and agrees with the Owners of the Series 2015 Bonds that the State of Arizona will not limit or alter the rights vested in the Board to collect such fees, excises and taxes as may be necessary to produce sufficient revenues to meet the expenses of the state highway system and to fulfill the terms of this 2015 Resolution and any agreement made with the Owners of the Series 2015 Bonds or in any way impair the rights and remedies of the Owners of any Series 2015 Bonds until all bonds issued under the authority of the Act, together with interest thereon and interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of any Owners, are fully met and discharged in accordance with the terms of such bonds.

Section 16. Tax Covenant for the Series 2015 Bonds.

(a) The Board covenants that it will use, and will restrict the use and investment of, the proceeds of the Series 2015 Bonds in such manner and to such extent as may be necessary so that (i) the Series 2015 Bonds will not (1) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Code, or (2) be treated other than as bonds to which Section 103 of the Code applies, and (ii) the interest thereon will not be treated as a preference item for purposes of the federal alternative minimum tax.

(b) The Board further covenants (i) that it will take or cause to be taken such actions that may be required of it for the interest on the Series 2015 Bonds to be and remain excluded from gross income for federal income tax purposes, (ii) that it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (iii) that it, or persons acting for it, will, among other acts of compliance, (1) apply the proceeds of the Series 2015 Bonds to the governmental purposes of the borrowing, (2) restrict the yield on investment property, (3) make

timely and adequate payments to the federal government as required under the Tax Compliance Certificate of the Board and the Department relating to the Series 2015 Bonds (the "Tax Compliance Certificate"), (4) maintain books and records and make calculations and reports, and (5) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

(c) The Director is hereby authorized (i) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the Board with respect to the Series 2015 Bonds as the Board is permitted or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in Section 148(f)(4)(B) and (C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Series 2015 Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, Rebate Amount (as defined in the Tax Compliance Certificate) as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the Director, (ii) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the Board, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Series 2015 Bonds, and (iii) to give one or more appropriate certificates of the Board, for inclusion in the transcript of proceedings for the Series 2015 Bonds, setting forth the reasonable expectations of the Board regarding the amount and use of all the proceeds of the Series 2015 Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Series 2015 Bonds.

(d) The Board may create, or may direct the State Treasurer to create, such accounts or sub-accounts as it shall deem necessary or advisable in order to comply with the foregoing covenants and the Tax Compliance Certificate.

(e) The provisions of this Section 16 shall only apply to any Series 2015 Bonds issued as tax-exempt bonds.

Section 17. 2015 Resolution to Constitute a Contract. In consideration of the acceptance of the Series 2015 Bonds authorized to be issued hereunder by those who shall own the same from time to time, this 2015 Resolution shall be deemed to be and shall constitute a contract between the Board and such Owners and the covenants and agreements herein set forth to be performed by the Board shall, as provided in the Senior Bond Resolution, be for the equal performance, protection and security of the Owners of any and all such Series 2015 Bonds, all of which shall be of equal rank and without preference or priority or distinction of any of the Series 2015 Bonds over any other.

Section 18. Reservation of Right to Issue Refunding Bonds. The Board reserves the right to issue refunding bonds whenever the issuance of such refunding bonds is deemed expedient to refund any Series 2015 Bonds authorized under this 2015 Resolution at or in

advance of maturity of the Series 2015 Bonds being refunded and may issue bonds partly to refund Series 2015 Bonds then Outstanding and partly for any other purpose consistent with the laws of the State of Arizona then in effect. Refunding of any Series 2015 Bond shall never be deemed to alter the redemption or call provisions contained in the Series 2015 Bonds or this 2015 Resolution.

Section 19. Defeasance of Series 2015 Bonds.

(a) If payment of all principal of, premium, if any, and interest on all the Series 2015 Bonds, in accordance with the terms of this 2015 Resolution, has been made or such payment has been provided for in the manner set forth in this Section, then this 2015 Resolution shall be deemed to be discharged and of no further effect; provided, however, that no such discharge shall affect the rights of any owners of bonds other than the Series 2015 Bonds.

If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of the Outstanding Series 2015 Bonds or any particular Series 2015 Bond, the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this 2015 Resolution, then such Series 2015 Bonds or Bond shall cease to be entitled to any lien, benefit or security under the Senior Bond Resolutions and all covenants, agreements and obligations of the Board to the Owners of such Series 2015 Bond or Bonds shall thereupon cease, terminate and become void and be discharged and satisfied (subject to provisions of subsection (e), if applicable).

Series 2015 Bonds or interest installments, for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the State Treasurer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof, shall be deemed to have been paid within the meaning and with the effect expressed in this subsection (a).

(b) All or any part of the Outstanding Series 2015 Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid and be no longer Outstanding under this 2015 Resolution, and with the effect expressed in subsection (a) of this Section 19, if:

(i) there shall have been deposited with the Treasurer of the State of Arizona or with a bank or trust company selected by the Board and meeting the qualifications set forth in Section 8 for a successor Paying Agent (the "Escrow Agent") appointed for such purposes under an irrevocable escrow agreement (the "Escrow Agreement"), in trust for and irrevocably committed to the Owners of such Series 2015 Bonds, either moneys or Defeasance Securities (as defined in subsection (c) below) (including any Defeasance Securities issued or held in book entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Escrow Agent at the same time, shall, as evidenced by a report of an independent nationally recognized firm of certified public accountants or an independent financial consulting firm of recognized standing in the field of municipal bonds, be sufficient (without regard to further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, which earnings are to be held likewise in trust and so committed, except as provided herein) to pay when due the principal, redemption premium, if any, and

interest due and to become due on said Series 2015 Bonds on or prior to the redemption date or maturity date thereof, as the case may be;

(ii) any such Series 2015 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 Bond Registrar shall have been duly made for the giving of that notice;

(iii) in the event such Series 2015 Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Board shall have given the Bond Registrar, in form satisfactory to it, instructions to mail a notice to the Owners of such Series 2015 Bonds within 10 days of the date on which the Series 2015 Bonds are deemed to be paid and discharged, at their address as it appears on the bond register on that date on which the Series 2015 Bonds are deemed to be paid and discharged. The notice shall: (1) state the numbers of the Series 2015 Bonds deemed to be paid and discharged, or shall state that all Series 2015 Bonds are deemed to be paid and discharged; (2) state that the deposit required by (i) above has been made with the Escrow Agent and that said Series 2015 Bonds are deemed to have been paid in accordance with this 2015 Resolution; and (3) state such maturity or redemption date upon which moneys are expected to be available for the payment of the principal, redemption premium, if any, and interest on said Series 2015 Bonds (other than those Series 2015 Bonds which have been purchased or otherwise acquired by the Board and delivered to the Bond Registrar as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (ii) hereof); and

(iv) the Board shall furnish to the Escrow Agent an opinion of a nationally recognized bond counsel firm to the effect that such provision for paying such Series 2015 Bonds (assuming compliance by the Board and the Escrow Agent with their duties under the Escrow Agreement) will not, by itself, cause interest on the Series 2015 Bonds to become included in gross income for federal income tax purposes.

(c) As used in this Section 19, "Defeasance Securities" shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Board's funds:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed as to full and timely payment of principal and interest by, the United States of America, including interest obligations of the Resolution Trust Corporation;

(ii) certificates or other instruments that evidence ownership or the right to payments of principal or interest on obligations of the character described in clause (i) or specified portions thereof, provided that: (A) such underlying obligations shall be held in custody of a bank or trust company, (B) the owner of the instrument is the real party in interest and has the right to proceed directly against the obligor of the underlying obligations, and (C) the underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated; and

(iii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state: (A) which are (x) not callable prior to maturity or (y) as to which irrevocable instructions have been given by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (B) which are secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or bonds or other obligations of the character described in clauses (i) and (ii) above (the “Escrow Obligation”), which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on (except for provisions relating to surplus moneys not required for the payment of the municipal obligations and the substitution of such Escrow Obligations for other Escrow Obligations satisfying all criteria for Escrow Obligations in this definition) such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (C) as to which the principal of and interest on the Escrow Obligations which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay, without reinvestment, principal of, redemption premium, if any, and interest on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (y) of this clause (iii), as appropriate, and (D) which are rated at the time of purchase thereof “AAA” by Standard & Poor’s Ratings Services and “Aaa” by Moody’s Investors Service, Inc.

Defeasance Securities shall consist of securities which are not subject to redemption prior to their maturity other than at the option of the holder thereof, or shall consist of securities as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date.

(d) Any moneys held by the Escrow Agent in accordance with the provisions of this Section 19 may be invested by the Escrow Agent only in Defeasance Securities having maturity dates, or redemption dates, which, at the option of the holder of those obligations, shall be not later than the date or dates at which moneys will be required for the purposes of this Section 19. To the extent that any income or interest earned by, or increment to, the investments held under this Section 19 is determined from time to time by the Escrow Agent to be in excess of the amount required to be held by the Escrow Agent for the purposes of this Section 19, that income, interest or increment shall be transferred at the time of that determination into the State Highway Fund free and clear of any trust, lien or pledge securing said defeased Series 2015 Bonds or otherwise existing under this 2015 Resolution, unless otherwise directed by the Board.

Upon the written instructions from the Authorized Board Representative to do so, the Escrow Agent (I) shall (A) liquidate all or a portion of the investments and reinvestments held in the Escrow Account in advance of their maturity dates, or (B) re-invest the proceeds of Defeasance Obligations that have matured and are not then needed for purposes of this Section 19 and (II) shall reinvest (but only in Defeasance Securities) or otherwise disburse the liquidation proceeds or other amounts in accordance with the instructions of such Representative, but only upon receipt by the Escrow Agent of each of the following:

(i) An opinion of a nationally recognized bond counsel firm to the effect that such sale, purchase or substitution will not cause interest on the defeased Series 2015 Bonds to become included in gross income for federal income tax purposes; and

(ii) A report from a nationally recognized firm of independent certified public accountants, or an independent financial consulting firm of recognized standing in the field of municipal bonds, addressed to the Escrow Agent, bond counsel and the Board:

(A) in case of investment pursuant to (I)(A) and (II), verifying the accuracy of the arithmetical computations of the adequacy of the proceeds from the liquidation, if any, together with any additional deposits of cash and the maturing principal of and interest on Defeasance Securities, if any, that remain held under the Escrow Agreement and that are to be acquired by the Escrow Agent in accordance with the instructions of the Representative, and without any reinvestment thereof, to pay, when due, the principal of and interest and redemption premiums, if any, on the defeased Series 2015 Bonds that will remain unpaid immediately after such liquidation and substitution, upon their maturity or redemption date; and

(B) if required by bond counsel, confirming the aggregate yield on the investments held under the Escrow Agreement (whether previously held, currently held or to be held as a result of substitution or re-investment) is not greater than such yield limitation, if any, specified by bond counsel.

(iii) In case of re-investment of maturing Defeasance Obligations pursuant to (I)(B), instructions to purchase Defeasance Obligations which mature on or before such amounts are needed for the purposes of this Section 19.

If instructed to do so by the Authorized Board Representative, the Escrow Agent shall use money derived from the liquidation or re-investment of the Defeasance Securities held in the Escrow Agreement to purchase, or otherwise acquire, for cancellation defeased Series 2015 Bonds specified by such Representative that have not matured or for which a notice of redemption has not been mailed by the Bond Registrar.

(e) Notwithstanding the foregoing, any provisions of this 2015 Resolution which relate to: (i) the maturity of Series 2015 Bonds; (ii) the interest payments and dates thereof; (iii) the optional redemption provisions; (iv) the exchange, transfer and registration thereof; (v) the replacement of mutilated, destroyed, lost or stolen Series 2015 Bonds; (vi) the safekeeping and cancellation thereof; (vii) the holding of moneys in trust; (viii) exclusion of interest on the Series 2015 Bonds from gross income for federal income tax purposes; and (ix) duties of the Paying Agent and Bond Registrar in connection with all of the foregoing, shall remain in effect and shall be binding upon the Board, the Paying Agent, the Bond Registrar and the Owners, notwithstanding the release, discharge and satisfaction of this 2015 Resolution.

Section 20. Amendments.

(a) Amendments Without Consent of Owners of Series 2015 Bonds. The Board may, from time to time and at any time, adopt resolutions (which resolutions shall thereafter form a part of the existing Senior Bond Resolution), without the consent of or notice to any Owner of Series 2015 Bonds, to effect any one or more of the following:

(i) cure any ambiguity, inconsistency, formal defect or omission in this 2015 Resolution or other existing Senior Bond Resolutions;

(ii) grant to or confer upon the Owners of the Series 2015 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon them; or

(iii) amend or supplement this 2015 Resolution or other existing Senior Bond Resolutions in any other respect, provided such amendment or supplement is not materially adverse to the interest of the Owners of the Series 2015 Bonds.

Prior to the time that Series 2015 Bonds are issued pursuant to this 2015 Resolution, all provisions of this 2015 Resolution may be modified by a subsequent resolution of the Board.

(b) Amendments with Consent of the Owners of Series 2015 Bonds. Exclusive of amendments described in subsection (a), any provision of this 2015 Resolution or of other existing Senior Bond Resolutions affecting the Owners of the Series 2015 Bonds, and the rights and obligations of the Board and of the Owners of the Series 2015 Bonds issued hereunder, may be modified or amended at any time by resolution adopted by the Board; provided, however, that any such modification or amendment shall become effective as part of the provisions of this 2015 Resolution only with consent of Owners of at least a majority in aggregate principal amount of the Outstanding Series 2015 Bonds, exclusive of Series 2015 Bonds, if any, owned by the Board or the Department, and obtained as hereinafter set forth; and provided, further, that no such modification or amendment shall, without the express written consent of the Owner of each Series 2015 Bond affected, reduce the principal amount of any Series 2015 Bond, reduce the interest rate payable thereon, advance the earliest redemption date, reduce the premium payable upon redemption thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any such modification or amendment reduce the percentage of consent required for amendment or modification.

Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all of the Series 2015 Bonds and shall not be deemed an infringement of any of the provisions of this 2015 Resolution or the other existing Senior Bond Resolutions, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this 2015 Resolution or the other existing Senior Bond Resolutions, and after such consent relating to such specified matters has been given, no Owner of a Series 2015 Bond shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Board or any officer thereof from taking any action pursuant thereto.

If the Board shall desire to obtain any such consent, it shall cause the Bond Registrar to mail a notice, first-class postage prepaid, to the Owners of the Outstanding Series 2015 Bonds at their addresses appearing on the registration books, unless an Owner waives in writing the mailing of such notice to it. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Director of the Department for inspection by all Owners of Series 2015 Bonds. The Bond Registrar shall not, however, be subject to any liability to any Owners of the Series 2015 Bonds by reason of failure

to mail the notice required by this Section, and any such failure shall not affect the validity of such resolution when consented to and approved as provided in this Section.

Whenever the Board shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Series 2015 Bonds then Outstanding, exclusive of Series 2015 Bonds, if any, owned by the Board or the Department, which instrument or instruments shall refer to the proposed amendment described in such notice (or, if notice is waived by an Owner, in the consent of such Owner), and shall specifically consent to and approve such amendments in substantially the form of the copy thereof referred to in such notice (or, if notice is waived, in such consent) as on file with the Director of the Department, then the Board may file a written certification in its official records that the consent of the required percentage of Owners has been obtained and such certification shall be conclusive that such consents have been obtained. Any consent so given may not be withdrawn after the Board files such certification. After filing such certificate, the amendment shall become immediately effective, or if the Board had not previously adopted a resolution containing the amendment, the Board may adopt a resolution containing such amendment in substantially such form, without in any case liability or responsibility to any Owner of any Series 2015 Bond, whether or not such Owner shall have consented thereto.

(c) Upon consent to the amendment and adoption of the resolution containing the amendment pursuant to the provisions of this Section, this 2015 Resolution or the other existing Senior Bond Resolutions shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations of the Board under this 2015 Resolution or the other existing Senior Bond Resolutions and all Owners of Series 2015 Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 21. Evidence of Signatures of Owners and Ownership of Series 2015 Bonds. Any request, consent, withdrawal of consent or other instrument which this 2015 Resolution may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Series 2015 Bonds shall be sufficient for any purpose of this 2015 Resolution if made in the following manner, or in any other manner satisfactory to the Board, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Owner or his attorney may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of a notary public or other officer in any jurisdiction, who has power by law to take acknowledgments within that jurisdiction, that the person signing the instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(b) The fact of ownership of Series 2015 Bonds shall be proved by the bond registration books.

Any request or consent by an Owner of any Series 2015 Bond shall bind all future Owners of such Series 2015 Bond in respect of anything done or suffered to be done by the Board in accordance therewith.

Section 22. No Recourse on the Series 2015 Bonds to Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Series 2015 Bonds or for any claim based thereon or on this 2015 Resolution against any member or officer of the Board or employee of the Department or any person executing such Bonds. The Series 2015 Bonds are special obligations of the Board, payable only according to the terms of such Series 2015 Bonds and this 2015 Resolution.

Section 23. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this 2015 Resolution on the part of the Board or the Department to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this 2015 Resolution.

Section 24. Saturdays, Sundays and Holidays. If the date for making any payment or the day or last date for performance of any act or the exercising of any right, as provided in this 2015 Resolution, shall be a Saturday, a Sunday, a legal holiday or a day on which either the Bond Registrar, the Paying Agent, the State Treasurer, the Board or the Department, is legally authorized to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a Saturday, a Sunday, a legal holiday or a day on which either the Bond Registrar, the Paying Agent, the State Treasurer, the Board or the Department is legally authorized to remain closed, with the same force and effect as if done on the nominal date provided in this 2015 Resolution, and no interest shall accrue for the period after such nominal date.

Section 25. Direction to State Treasurer. The State Treasurer is hereby directed to perform all acts and things required to be performed by it under this 2015 Resolution and the Act and such other lawful acts relating to the Series 2015 Bonds and this 2015 Resolution as the Board may reasonably request.

Section 26. Effective Date. This 2015 Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED ON October 10, 2014.

ARIZONA TRANSPORTATION BOARD

Chair

ATTEST:

Director, Arizona Department
of Transportation

EXHIBIT A

[FORM OF BOND]

ARIZONA TRANSPORTATION BOARD
HIGHWAY REVENUE REFUNDING BOND
SERIES 2015

No. R-

Interest Rate _____ % Maturity Date _____ Dated Date: _____, 2008 CUSIP _____

Registered Owner: _____

Principal Sum: _____ Dollars

THE ARIZONA TRANSPORTATION BOARD (herein called the "Board"), for value received, hereby promises to pay, but solely from the revenues hereinafter specified, to the Registered Owner stated hereon or registered assigns, on the Maturity Date stated hereon, unless earlier redeemed, the Principal Sum stated herein, and to pay from those sources interest thereon at the Interest Rate stated above on January 1 and July 1 in each year commencing _____ 1, 2015, until the Principal Sum shall have been paid or duly provided for. This Series 2015 Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its Dated Date.

The principal of and any premium on this Series 2015 Bond are payable upon presentation and surrender hereof at the designated office of the Paying Agent, initially _____ . Interest is payable on each Interest Payment Date by check or draft mailed to the person in whose name this Series 2015 Bond (or one or more predecessor bonds) is registered (the "Registered Owner") at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the "Record Date") on the registration books for this issue maintained by the Bond Registrar, initially _____ , at the address appearing therein. If the Registered Owner hereof shall be the Registered Owner of Series 2015 Bonds in the aggregate principal amount of \$1,000,000 or more, interest and principal and premium, if any, will be paid by wire transfer to a bank account in the continental United States, at the expense of such Registered Owner, if the Registered Owner has requested payment in such manner at such wire address as shall have been furnished by the Registered Owner to the Bond Registrar in writing on or prior to the Record Date preceding the Interest Payment Date, which request shall remain effective until changed by the Registered Owner. Any interest which is not timely paid or duly provided for shall cease to be payable to the Registered Owner hereof (or of one or more predecessor bonds) as of the Record Date, and shall be payable to the Registered Owner hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Bond Registrar for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to the Registered Owner not less than 10 days prior thereto. The principal of, premium, if any, and interest on this Series 2015 Bond are payable in lawful money in the United States of America, without deduction for the services of the Paying Agent.

This Bond is one of a duly authorized series of bonds of the Board designated “Highway Revenue Refunding Bonds, Series 2015” (herein called the “Series 2015 Bonds”), in the aggregate principal amount of \$_____, issued under and in full compliance with the Constitution and Statutes of the State of Arizona, including, without limitation, Title 28, Chapter 21, Article 1 of the Arizona Revised Statutes, as amended (herein called the “Act”), and a resolution adopted by the Board on May 1, 1980 as supplemented to date (herein collectively, the “Senior Bond Resolution”) including by a resolution adopted on October 10, 2014 providing for the issuance of the Series 2015 Bonds (herein the “2015 Resolution”). The Series 2015 Bonds are issued to refund certain bonds previously issued by the Board, and to pay costs of any highway purpose and related costs permitted under the Act.

Capitalized terms not defined herein have the meaning set forth in the 2015 Resolution.

As provided in the Senior Bond Resolution, the Series 2015 Bonds, all Outstanding Senior Bonds and all Additional Senior Bonds that may subsequently be issued under the Senior Bond Resolution on a parity with the Series 2015 Bonds (herein collectively called the “Senior Bonds”) are special obligations of the Board. The Senior Bonds are payable from and secured as to payment of the principal, redemption premium, if any, and interest, in accordance with their terms and the provisions of the Senior Bond Resolution solely by the pledge of Pledged Revenues (as defined in the 2015 Resolution), which consist of moneys paid into the State Highway Fund from sources collected as prescribed in Article IX, Section 14 of the Constitution of the State of Arizona and from certain other sources specified in the Act, and amounts on deposit in certain other Funds and Accounts created under the Senior Bond Resolution.

Copies of the Senior Bond Resolution and 2015 Resolution are on file at the office of the Board and at the designated office of _____, as Paying Agent and Bond Registrar for the Series 2015 Bonds, or its successor (herein called the “Bond Registrar”). Reference is hereby made to the Act and to the Senior Bond Resolution and any and all supplements thereto and modifications and amendments thereof, for a description of: the pledge and assignment and covenants securing the Senior Bonds and Subordinated Bonds; the nature, priority, extent and manner of enforcement of such pledge; the rights of the Registered Owners of the Series 2015 Bonds with respect thereto; the terms and conditions upon which the Series 2015 Bonds are issued and may be issued thereunder; the terms and provisions upon which this Bond shall cease to be entitled to any lien, benefit or security under the Senior Bond Resolution; and for the other terms and provisions thereof, to all of which the Registered Owner assents, by acceptance hereof.

All covenants, agreements and obligations of the Board under the 2015 Resolution may be discharged and satisfied at or prior to the maturity or redemption of this Series 2015 Bond if moneys or certain specified Defeasance Securities shall have been deposited in a separate trust to provide for payment thereof.

THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES DESCRIBED ABOVE, AND NO REGISTERED OWNER HEREOF SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF ANY OTHER TAXING POWER OF THE STATE OF ARIZONA TO PAY THIS BOND OR THE INTEREST HEREON. THIS BOND IS A LIMITED OBLIGATION OF THE BOARD AND IS

PAYABLE ONLY IN ACCORDANCE WITH THE TERMS HEREOF AND SHALL NOT BE AN OBLIGATION, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF ARIZONA. THIS BOND SHALL NOT CONSTITUTE A LEGAL DEBT OF THE STATE OF ARIZONA AND SHALL NOT BE ENFORCEABLE AGAINST THE STATE OF ARIZONA NOR SHALL PAYMENT HEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE BOARD OR THE ARIZONA DEPARTMENT OF TRANSPORTATION, OTHER THAN THE INCOME AND REVENUES PLEDGED AND ASSIGNED TO THE REGISTERED OWNER OF THIS BOND AND SENIOR BONDS ISSUED ON A PARITY HEREWITH. THIS BOND IS NOT A DEBT OF THE STATE OF ARIZONA, THE BOARD OR THE DEPARTMENT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

As provided in the 2015 Resolution, Additional Senior Bonds may be issued from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary. The aggregate principal amount of Senior Bonds which may be issued on a parity with the Series 2015 Bonds is not limited, and all Senior Bonds issued and to be issued on a parity with the Series 2015 Bonds are and will be equally secured by the pledge and covenants made in the Senior Bond Resolution, as supplemented by the 1991 Subordinated Resolution, except as otherwise expressly provided or permitted in the Senior Bond Resolution. The Board reserves the right at any future date to issue refunding bonds to refund this Bond.

The Board, as agent for the State of Arizona, does hereby pledge to the Registered Owner of this Bond that the State of Arizona will not limit or alter the rights vested in the Board to collect such fees, excises and taxes as may be necessary to produce sufficient revenue to meet the expense of the state highway system and fulfill the terms of the 2015 Resolution providing for the issuance of this Bond or to in any way impair the rights and remedies of the Registered Owners of the Series 2015 Bonds until this Bond is paid or provided for. This pledge is made pursuant to statutory authority granted to the Board by the legislature of the State of Arizona, codified in Section 28-7512, Arizona Revised Statutes.

The 2015 Resolution permits certain amendments or supplements to the 2015 Resolution and the Senior Bond Resolution to be made without the consent of or notice to the Registered Owners, and other amendments or supplements thereto to be made with the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Series 2015 Bonds then outstanding.

The Series 2015 Bonds are issuable only in the form of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000, and, except as provided in the 2015 Resolution, in printed or typewritten form, registered in the name of CEDE & CO. as nominee of The Depository Trust Company (“DTC”), which shall be considered to be the Registered Owner for all purposes of the 2015 Resolution, including, without limitation, payment by the Board of the principal of, premium, if any, and interest on this Bond, and receipt of notices and exercise of rights by Registered Owners. There shall be a single Series 2015 Bond representing each maturity which shall be immobilized in the custody of DTC with the beneficial owners having no right to receive bonds in the form of physical securities or certificates. Ownership of beneficial interests in the Series 2015 Bonds shall be shown by book entry on the system maintained and operated by DTC and its participants, and transfers of ownership of

beneficial interests shall be made only by DTC and its participants and by book entry, the Board and the Bond Registrar having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the Series 2015 Bonds, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the Series 2015 Bonds. The Series 2015 Bonds as such shall not be transferable or exchangeable, except as provided in the 2015 Resolution.

The Board, the Bond Registrar and the Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Series 2015 Bonds maturing on or before July 1, ____ are not subject to redemption prior to their respective maturity dates. **[CONFORM:** The Series 2015 Bonds maturing on July 1, ____ are term bonds subject to mandatory sinking fund redemption by lot on July 1 in each of the years and in the principal amount set forth below, at the principle amount thereof without premium, together with accrued interest to the redemption date:]

<u>Years</u>	<u>Principal Amounts</u>
	\$

[The Series 2015 Bonds maturing on and after July 1, ____ are subject to redemption prior to maturity at the option of the Board as a whole or in part at any time on or after July 1, ____ from such maturities as shall be determined by the Board, upon mailed notice as hereinafter provided, at the respective redemption prices (expressed as percentages of the principal amount of the Bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Prices</u>
July 1, 20__ to June 30, 20__	
July 1, 20__ to June 30, 20__	
July 1, 20__ and thereafter	

If less than all bonds of like maturity are to be redeemed, the particular bonds to be redeemed shall be selected at random in such manner as the Bond Registrar in its discretion may deem fair and appropriate.]

The Series 2015 Bonds are payable upon redemption at the designated office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Bond Registrar, first-class postage prepaid, not less than 30 days prior to the redemption date, to the Registered Owners of any bonds or portions of bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books of the Board maintained by the Bond Registrar, all in the manner and upon the terms and conditions set forth in the 2015 Resolution. If notice of redemption shall have been mailed as aforesaid, the bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed

(unless the notice otherwise provides), and if, on the redemption date, moneys for the redemption of all the bonds and portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such bonds or portions thereof so called for redemption shall cease to accrue and be payable. Any failure to mail or any defect in the notice to the Registered Owner of any bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other bonds for which notice is properly given. Any notice of redemption which is mailed in the manner provided above shall be conclusively presumed to have been given whether or not the Registered Owner hereof receives the notice.

It is hereby certified and recited that all conditions, acts and things required by law and the Senior Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the Series 2015 Bonds of which this is one, complies in all respects with the applicable laws of the State of Arizona, including, particularly, the Act.

This Bond shall not be entitled to any benefit under the Senior Bond Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Bond Registrar of the Bond Registrar's Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE ARIZONA TRANSPORTATION BOARD has caused this Series 2015 Bond to be executed in its name and on its behalf by the facsimile signature of its Chair, and its seal to be reproduced hereon, and attested by the facsimile signature of its Director, all as of the Dated Date hereof.

ARIZONA TRANSPORTATION BOARD

By _____
Chair of the Board

Attest:

Director of the State of
Arizona Department of
Transportation

(Seal)

[FORM OF CERTIFICATE OF AUTHENTICATION
ON ALL SERIES 2015 BONDS]

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2015 Bonds delivered pursuant to the within mentioned 2015 Resolution.

as Bond Registrar

Date of Authentication: _____

By _____
Authorized Representative

[FORM OF ATTORNEY GENERAL CERTIFICATION]

I hereby certify that I have examined the validity of the issue of Series 2015 Bonds of which this Bond is one and all proceedings in connection therewith. From such examination, I hereby certify that all Bonds of this issue of Series 2015 Bonds are issued in accordance with the Constitution and laws of the State of Arizona.

(Facsimile)
Attorney General of the State of Arizona

LEGAL OPINION

The following is a true copy of the text of the opinion rendered to the Board by Squire, Patton Boggs (US) LLP in connection with the original issuance of the Series 2015 Bonds. That opinion is dated as of and premised on the transcript of proceedings examined and the law in effect on the date of such original delivery of the Series 2015 Bonds. A signed copy is on file in the office of the Board.

ARIZONA TRANSPORTATION BOARD

(Facsimile)
Chair

[OPINION OF BOND COUNSEL TO BE INSERTED HERE]

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

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship
and not as tenants in common

UNIF GIFT/TRANS MIN ACT- _____ Custodian for

(Cust.)

_____ under Uniform Gifts/Transfers to Minors Act of

(Minor)

_____.

(State)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the "Transferor"), hereby sells, assigns and transfers unto _____ (the "Transferee"), whose address is _____ and whose social security number (or other federal tax identification number) is _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to register the transfer of the within Bond on the books kept for registration of transfer thereof, with full power of substitution in the premises.

Date: _____
Signature Guaranteed by: _____

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and name, address and the Social Security Number or federal employee identification number of the Transferee is supplied.

NOTICE: Signature(s) must be guaranteed by a signature guarantor institution that is a participant in a signature guarantor program recognized by the Bond Registrar.