NEW ISSUE – BOOK-ENTRY ONLY **RATINGS: See "RATINGS."**

Subject to compliance by the Authority with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, under present law, interest on the 2019B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the 2019B Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

$225,245,000
THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding)

Maturities, Principal Amounts, Interest Rates, Yields, Prices and CUSIP Numbers are Shown on the Inside of the Front Cover

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This Official Statement contains information relating to The Illinois State Toll Highway Authority (the **"Authority"**) and the Authority's Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding) (the **"2019B Bonds"**). The 2019B Bonds are being issued and secured under an Amended and Restated Trust Indenture effective as of March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (as amended, restated and supplemented to the date hereof, the **"Amended and Restated Indenture"**) from the Authority to The Bank of New York Mellon Trust Company, N.A., as successor trustee (the **"Trustee"**), and a Twenty-Eighth Supplemental Indenture dated as of November 1, 2019 by and between the Authority and the Trustee (the **"Twenty-Eighth Supplemental Indenture"** and collectively with the Amended and Restated Indenture, the **"Indenture"**).

The 2019B Bonds will be issuable as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (**"DTC"**). DTC will act as securities depository for the 2019B Bonds. Purchasers of the 2019B Bonds will not receive certificates representing their interests in the 2019B Bonds purchased. Principal of and interest on the 2019B Bonds will be paid by the Trustee to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the 2019B Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the 2019B Bonds will be made to such registered owner, and disbursement of such payments to beneficial owners will be the responsibility of DTC and its participants. See **APPENDIX E – "BOOK-ENTRY SYSTEM."**

The 2019B Bonds will mature on January 1 of the years and in the amounts and will bear interest at the rates per annum set forth on the inside cover page, payable on January 1 and July 1 of each year, commencing July 1, 2020. As described herein, the 2019B Bonds are subject to optional redemption prior to maturity. See **"DESCRIPTION OF THE 2019B BONDS – REDEMPTION."**

All Bonds issued under the Indenture, including the 2019B Bonds, are payable solely from and secured solely by a pledge of and lien on the Net Revenues (as defined in this Official Statement) and certain other funds as provided in the Indenture. See **"SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS."**

THE 2019B BONDS AND ANY OTHER BONDS ISSUED UNDER THE INDENTURE DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE AUTHORITY OR OF THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR OF THE STATE OF ILLINOIS, OR GRANT TO THE OWNERS OR HOLDERS THEREOF ANY RIGHT TO HAVE THE AUTHORITY OR THE ILLINOIS GENERAL ASSEMBLY LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT OF THE PRINCIPAL THEREOF, PREMIUM, IF ANY, OR THE INTEREST THEREON, OTHER THAN AS MAY BE AUTHORIZED UNDER THE TOLL HIGHWAY ACT AND PLEDGED IN ACCORDANCE WITH THE INDENTURE.

The 2019B Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to withdrawal and modification of the offer without notice and approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel. Certain legal matters in connection with the 2019B Bonds will be passed upon for the Authority by Kathleen R. Pasulka-Brown, Esq., Assistant Attorney General and the Authority's General Counsel, and by the Authority's special counsel, Schiff Hardin LLP, Chicago, Illinois and for the Underwriters by their counsel, Foley & Lardner LLP, Chicago, Illinois. Certain documents to which the Authority is a party will be approved as to form and constitutionality by the Attorney General of Illinois. It is expected that the 2019B Bonds in definitive form will be available for delivery to DTC on or about November 14, 2019.

Morgan Stanley **BofA Securities**

Goldman Sachs & Co. LLC **J.P. Morgan**

Academy Securities **Blaylock Van, LLC.** **Oppenheimer & Co.** **Raymond James**

Dated: November 5, 2019

MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES, YIELDS, PRICES AND CUSIP† NUMBERS

$225,245,000
The Illinois State Toll Highway Authority
Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP (452252)†
2025	$36,670,000	5.000%	1.450%	117.489	NR6
2026	35,625,000	5.000%	1.590%	119.841	NS4
2027	38,455,000	5.000%	1.690%	122.145	NT2
2028	23,295,000	5.000%	1.810%	124.015	NU9
2029	26,860,000	5.000%	1.910%	125.775	NV7
2030	30,385,000	5.000%	1.990%	127.490	NW5
2031	33,955,000	5.000%	2.070% C	126.650 C	NX3

C Priced to first optional redemption date of January 1, 2030.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
2700 OGDEN AVENUE
DOWNERS GROVE, ILLINOIS 60515-1703
(630) 241-6800

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JB Pritzker
Governor of Illinois, *ex officio* director

Omer Osman
Secretary of the Illinois Department of Transportation, *ex officio* director

Willard S. Evans, Jr.
Chairman

James Connolly
Stephen L. Davis
Alice Gallagher
Karen McConnaughay

Scott Paddock
Gary Perinar
James Sweeney
Vacancy

Kwame Raoul
Attorney General of Illinois and
ex officio Attorney for the Authority

Michael W. Frerichs
Treasurer of the State of Illinois and
ex officio Custodian of the Illinois State Toll Highway Authority Fund

EXECUTIVE STAFF

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Chief Executive Officer

José Alvarez
Executive Director

Derek Messier
Chief Operating Officer

Michael J. Colsch
Chief Financial Officer

Paul Kovacs
Chief Engineering Officer

Kathleen R. Pasulka-Brown
Assistant Attorney General and
General Counsel

MUNICIPAL ADVISOR

Hilltop Securities Inc.

CONSULTING AND TRAFFIC ENGINEERS

WSP USA Inc.
Consulting Engineers

CDM Smith Inc.
Traffic Engineers

This Official Statement, which includes the cover page and inside front cover page and appendices, is being used in connection with the offer and sale of the 2019B Bonds and may not be reproduced or used, in whole or in part, for any other purpose. The information set forth in this Official Statement is believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement. Each Underwriter has reviewed the information in this Official Statement in accordance with and as part of its respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but no Underwriter guarantees the accuracy or completeness of such information. The information and expressions of opinion contained in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information in this Official Statement pertaining to the Authority or the Tollway System as of any time subsequent to the date of such information. No dealer, sales representative or any other person has been authorized by the Authority or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering it describes and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer of any securities other than those described on the cover page or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

This Official Statement should be considered in its entirety. No information or portion of information in this Official Statement should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to such statutes, ordinances, reports or other documents for more complete information regarding the rights and obligations of parties to them, facts and opinions contained in them and their subject matters.

Neither this Official Statement nor any statement that may be made orally or in writing in connection therewith is to be construed as a contract with the registered or beneficial owners of the 2019B Bonds.

This Official Statement contains forecasts, projections and estimates that are based on current expectations or assumptions. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the amount of revenues received include, among others, changes in political, social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, seismic events, and various other events, conditions and circumstances, many of which are beyond the control of the Authority. These forward-looking statements include, but are not limited to, certain statements contained in the information contained under the caption "**THE TOLLWAY SYSTEM**" and in **APPENDICES B** and **C** and such statements speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Official Statement to reflect any changes in the Authority's expectations with regard to such forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

IN CONNECTION WITH THE OFFERING OF THE 2019B BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019B BONDS AT LEVELS ABOVE THE LEVELS THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY FEDERAL OR STATE SECURITIES COMMISSION NOR HAS ANY FEDERAL OR STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

$225,245,000
THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
Toll Highway Senior Revenue Bonds,
2019 Series B (Refunding)

INTRODUCTORY STATEMENT

This Official Statement sets forth certain information concerning The Illinois State Toll Highway Authority (the "**Authority**"), the Tollway System (as defined in this Official Statement) and the Authority's $225,245,000 Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding) (the "**2019B Bonds**"). The 2019B Bonds will be issued pursuant to the Toll Highway Act, 605 ILCS 10/1 *et seq*., as amended (the "**Act**"), a resolution adopted by the Authority on April 18, 2019, authorizing the issuance of the 2019B Bonds, and a Twenty-Eighth Supplemental Indenture dated as of November 1, 2019 (the "**Twenty-Eighth Supplemental Indenture**"), supplementing and amending an Amended and Restated Trust Indenture effective as of March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (as amended, restated and supplemented to the date hereof, the "**Amended and Restated Indenture**"), from the Authority to The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A., and its predecessors, as Trustee (the "**Trustee**"). The Amended and Restated Indenture, as supplemented, amended and restated from time to time, including by the First through the Twenty-Eighth Supplemental Indentures and the 1996 Amendatory Supplemental Indenture dated as of September 1, 1996, is referred to herein as the "**Indenture**." Purchasers of the 2019B Bonds will be deemed to have consented to certain amendments to the Indenture contained in the Seventh through the Twenty-Eighth Supplemental Indentures including those defined herein as the "Transfer Amendments." See "**SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS – Certain Amendments to the Indenture –** ***Amendment Requiring Bondholder Consent***" and **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Covenants –** ***Sale, Lease or Encumbrance of Property*****."**

Certain capitalized terms used in this Official Statement, unless otherwise defined in this Official Statement, have the meanings set forth in **APPENDIX D** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions**."

The 2019B Bonds are being issued under the Indenture to provide funds that will be used, together with other available funds, to (a) refund the Authority's Series 2010A-1 Bonds, as more fully described in "**APPENDIX G - SCHEDULE OF REFUNDED BONDS**" hereto (the "**Refunded Bonds**" or the "**2010A-1 Bonds**") and (b) pay costs of issuance in connection with the issuance of the 2019B Bonds. See "**PLAN OF FINANCE**," "**ESTIMATED SOURCES AND APPLICATIONS OF FUNDS**" and "**APPENDIX G - SCHEDULE OF REFUNDED BONDS**" below.

The 2019B Bonds will be secured on a parity basis with other Senior Bonds of the Authority. After the issuance of the 2019B Bonds and the refunding of the Refunded Bonds with the proceeds thereof, Senior Bonds will consist of the following: (a) $350,000,000 aggregate principal amount Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-1 (the "**2007A-1 Bonds**") and $87,500,000 aggregate principal amount Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-2 (the "**2007A-2 Bonds**" and together with the 2007A-1 Bonds, the "**2007A Bonds**"); (b) $189,600,000 aggregate principal amount Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1b (the "**2008 A-1b Bonds**" or the "**2008 A-1 Bonds**") and $94,825,000 aggregate principal amount Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-2 (the "**2008A-2 Bonds**" and together with the 2008A-1 Bonds, the "**2008A Bonds**"); (c) $400,000,000 aggregate principal amount Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (Build America Bonds – Direct Payment) (the "**2009A Bonds**"); (d) $280,000,000 aggregate principal amount Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series B (Build America Bonds – Direct Payment) (the "**2009B Bonds**"); (e) $500,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2013 Series A (the "**2013A Bonds**"); (f) $378,720,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series A (Refunding) (the "**2014A Bonds**"); (g) $500,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series B (the "**2014B Bonds**"); (h) $400,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series C (the "**2014C Bonds**"); (i) $243,345,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series D (Refunding) (the "**2014D Bonds**"); (j) $400,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2015 Series A (the "**2015A Bonds**"); (k) $400,000,000 aggregate principal amount Toll Highway

Senior Revenue Bonds, 2015 Series B (the "**2015B Bonds**"); (l) $333,060,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2016 Series A (Refunding) (the "**2016A Bonds**"); (m) $300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2016 Series B (the "**2016B Bonds**"); (n) $300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2017 Series A (the "**2017A Bonds**"); (o) $515,250,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2018 Series A (Refunding) (the "**2018A Bonds**"); (p) $300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2019 Series A (the "**2019A Bonds**"); and (q) $225,245,000 aggregate principal amount Series 2019B Bonds. After the issuance of the 2019B Bonds and the refunding of the 2010A-1 Bonds, the Senior Bonds will be outstanding in the aggregate principal amount of $6,197,545,000.

All references in this Official Statement to laws, agreements and documents are qualified in their entirety by reference to such laws, agreements and documents, and all references in this Official Statement to the 2019B Bonds and the Indenture are further qualified in their entirety by reference to their complete terms and the information with respect to them in the Indenture.

PLAN OF FINANCE

Refunding of the Refunded Bonds

The 2019B Bonds are being issued to refund the Refunded Bonds. The Refunded Bonds will be redeemed on January 1, 2020 (the "**Redemption Date**") from amounts on deposit in escrow as provided below.

To provide for the refunding of the Refunded Bonds, proceeds of the 2019B Bonds, together with certain funds available for the payment of the Refunded Bonds in the Debt Service Account and Debt Reserve Account established under the Indenture, will be used to provide a beginning cash balance (the "**Beginning Cash**") and purchase Defeasance Securities, the principal of which, together with earnings thereon, will be sufficient to pay (i) the principal of and interest on the Refunded Bonds when due, and (ii) the redemption price of the Refunded Bonds on the Redemption Date. The Beginning Cash and the Defeasance Securities, and any interest earnings thereon, will be held by the Trustee in an escrow account established for the Refunded Bonds (the "**Escrow Account**"). The redemption price and interest on the Refunded Bonds will be payable from the Escrow Account and neither the Beginning Cash, the maturing principal of the Defeasance Securities purchased to refund the Refunded Bonds nor any interest earned thereon will serve as security for or be available for the payment of the principal of or interest on the 2019B Bonds. The accuracy of the arithmetical computation of the Beginning Cash together with the maturing principal amounts of the Defeasance Securities deposited therein, and interest earnings thereon, to pay when due the principal of and interest on and redemption price of the Refunded Bonds, will be verified by Robert Thomas CPA, LLC. Such verification of arithmetical accuracy shall be based upon information and assumptions supplied by the Underwriters.

Future Financing Plans

In August 2011, the Authority approved a fifteen-year $12 billion capital improvement plan known as "Move Illinois: The Illinois Tollway Driving the Future," which established a guide for infrastructure and other capital investments to be made to the Tollway System by the Authority beginning in 2012 and extending through 2026, approved an increase in passenger vehicle toll rates effective January 1, 2012, approved toll rates for Illinois Route 390 (formerly the Elgin-O'Hare Expressway) and affirmed a previously approved increase in commercial vehicle toll rates consisting of a 60% increase to be phased in between January 1, 2015 and January 1, 2017 with annual adjustments applied on January 1 of each of the years 2018 and 2019 and thereafter adjusted each January 1 based on the Consumer Price Index for All Urban Consumers as defined by the United States Department of Labor Bureau of Labor Statistics. See "**THE TOLLWAY SYSTEM – Toll Rates.**" By resolution adopted on April 27, 2017, the Board of Directors of the Authority approved certain enhancements to this capital improvement plan, increasing its total estimated cost from $12.1 billion to $14.3 billion (the original capital improvement plan, as so amended, the "**Move Illinois Program**"). The Move Illinois Program is designed to fund necessary improvements to maintain the existing Tollway System in a state of good repair and fund new projects to enhance regional mobility. For additional detail on the projects included as part of the Move Illinois Program, see "**THE CAPITAL PROGRAMS – The Move Illinois Program.**"

The Authority has issued the 2013A Bonds, 2014B Bonds, 2014C Bonds, 2015A Bonds, 2015B Bonds, 2016B Bonds, 2017A Bonds and 2019A Bonds in the aggregate principal amount of $3.1 billion to pay the costs of the Move Illinois Program. The Authority currently expects that the remaining costs of the Move Illinois Program will be funded with proceeds from (i) an estimated $2.4 billion aggregate principal amount of Additional Senior Bonds, and (ii) other Authority funds. A resolution the Authority adopted on February 22, 2018 authorized the issuance of $700 million of Additional Senior Bonds to fund a portion of the Move Illinois Program, of which $300 million was issued on July 11, 2019 and $400 million remains unissued.

The approximately $2.4 billion aggregate principal amount of Additional Senior Bonds projected to be issued to finance a portion of the costs of the Move Illinois Program is expected to consist of approximately $500 million of bonds issued in 2020, approximately $1.2 billion of bonds issued during the years 2021-2022 and approximately $700 million of bonds issued during the years 2023-2024. Amounts and timing are estimated and subject to change. As cashflow and the overall program schedule permits, the Authority may adjust timing of individual projects within existing project budgets, including to reduce project costs, reduce construction impacts on commuters and/or optimize use of available resources in response to temporary delays.

The Authority is also authorized to issue fixed rate bonds to refund its outstanding 2007A Bonds and 2008A Bonds and to terminate any swap agreements associated therewith. Such authorization is scheduled to expire on December 31, 2020. The issuance of refunding bonds is at the discretion of the Authority, and may be influenced by a variety of factors, including market conditions. Such refunding bonds may be issued as Additional Senior Bonds, subject to compliance with the requirements for additional indebtedness set forth in the Indenture. The Authority is, as of the date of this Official Statement, preparing for a possible sale of Additional Senior Bonds to refund all or a portion of the outstanding 2007A Bonds and 2008A Bonds and terminate any associated swap agreements. Such refunding may occur before year-end 2019.

The Authority may take action from time to time in the future to extend or supplement the authorizations described in the preceding paragraphs. The Authority may adopt new authorizations for additional indebtedness. In addition, the Authority may consider replacement of one or more of its credit/liquidity providers for its variable rate bonds or interest rate mode conversions of one or more series of its variable rate bonds. See "**FINANCIAL INFORMATION – Liquidity and Credit Facilities.**" Issuance of additional indebtedness will be subject to compliance with the requirements for additional indebtedness set forth in the Indenture. See **APPENDIX D** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Additional Indebtedness**."

The Authority may enter into hedging instruments in connection with the issuance of future bonds. The Authority has entered into hedging agreements in connection with its existing variable rate bonds. See "**FINANCIAL INFORMATION—Swap Agreements.**"

Estimated Sources and Applications of Funds

The estimated sources and applications of the 2019B Bonds and other available funds are set forth below:

Sources	
Principal Amount of 2019B Bonds	$225,245,000.00
Original Issue Premium	51,916,735.55
2010A-1 Interest Sub-Account of Debt Service Account	4,630,154.73
2010A-1 Principal Sub-Account of Debt Service Account	1,356,736.45
Debt Reserve Account	774,026.44
Total	$283,922,653.17
Applications	
Escrow for Refunded Bonds	$282,906,380.51
Costs of Issuance(1)	1,016,272.66
Total	$283,922,653.17

(1) Includes Underwriters' Discount.

Description of the 2019B Bonds

General

The 2019B Bonds will be issued in the aggregate principal amount of $225,245,000 and will be dated the date of issuance thereof and will bear interest at the rates per annum shown on the inside front cover page of this Official Statement to the maturity dates shown on the inside front cover page of this Official Statement, subject to optional redemption as set forth below.

Interest on the 2019B Bonds; Payment; Authorized Denominations

The 2019B Bonds shall bear interest at the rates per annum set forth on the inside front cover page of this Official Statement (computed on the basis of a 360-day year composed of twelve 30-day months), payable on each January 1 and July 1, commencing July 1, 2020.

The principal or Redemption Price of the 2019B Bonds shall be payable in lawful money of the United States of America upon surrender of such 2019B Bonds to the Trustee at the designated corporate trust office of the Trustee. Interest on the 2019B Bonds shall be payable by check or bank draft mailed or delivered by the Trustee to the Registered Owners as the same appear on the registration books of the Authority maintained by the Trustee as of the applicable Record Date or, in the case of a Registered Owner of $1,000,000 or more in aggregate principal amount of 2019B Bonds who so elects, by wire transfer of funds.

The 2019B Bonds will be issued in denominations of $5,000 and integral multiples of such amount ("**Authorized Denomination**").

Optional Redemption of 2019B Bonds

The 2019B Bonds maturing on January 1, 2031 are subject to redemption at the option of the Authority on any date on or after January 1, 2030, in whole or in part, and if in part, in Authorized Denominations, at a redemption price equal to 100% of the principal amount of the 2019B Bonds called for redemption plus accrued interest, if any, to the redemption date.

Selection of Bonds for Redemption; Notice of Redemption

If less than all of the 2019B Bonds of a single maturity are to be redeemed, the particular 2019B Bonds or portions of 2019B Bonds to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee may determine and shall be in a principal amount equal to an Authorized Denomination.

Notice of any redemption of 2019B Bonds will be given by the Trustee by registered or certified mail, postage prepaid, to the Registered Owner of any 2019B Bonds to be redeemed not fewer than 30 days prior to the redemption date. Neither failure to give notice by mail nor defect in any notice so mailed in respect of any 2019B Bond will affect the validity of any proceedings for redemption of any other 2019B Bonds with respect to which notice was properly given. No further interest will accrue on the principal of any 2019B Bonds properly called for redemption after the redemption date if payment of the Redemption Price thereof has been duly provided for, and the Registered Owners of such 2019B Bonds will have no rights with respect to such 2019B Bonds nor will they be entitled to the benefits of the Indenture except to receive payment of the Redemption Price thereof and unpaid interest accrued to the date fixed for redemption.

Bond Registration and Transfers

For a description of the procedure to transfer ownership of a 2019B Bond while in the book-entry only system, see **APPENDIX E – "BOOK-ENTRY SYSTEM**." Subject to the limitations described below, the 2019B Bonds are transferable upon surrender thereof at the Principal Office of the Trustee, accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Bondholder, or such Bondholder's attorney duly authorized in writing. Any 2019B Bond, upon surrender of such 2019B Bond at the Principal Office of the Trustee, shall be exchanged for an equal aggregate principal amount of 2019B Bonds of any Authorized Denomination of the 2019B Bond being surrendered. The Trustee may charge a fee sufficient to cover any tax, fee or other governmental charge in connection with any exchange or transfer of any Bond.

The Trustee is not required to make any transfer or exchange of any 2019B Bond during the period between each Record Date and the next succeeding interest payment date of such 2019B Bond or after such 2019B Bond has been called for redemption.

Mutilated, Lost, Stolen or Destroyed Bonds

If any 2019B Bond is mutilated, lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate a new 2019B Bond; *provided*, *however*, that the Authority and the Trustee shall require satisfactory indemnification prior to authenticating a new 2019B Bond and the Trustee shall require satisfactory evidence of the ownership and the loss, theft or destruction of the affected 2019B Bond. The expense of issuing a substitute 2019B Bond in place of a mutilated, lost, stolen or destroyed 2019B Bond shall be borne by the Registered Owner.

SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS

The following is a summary of certain provisions of the Indenture relating to the 2019B Bonds and other Bonds issued under the Indenture. A more detailed summary of such provisions is included in **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."**

Pledge of Revenues and Funds

All Bonds issued under the Indenture, including the 2019B Bonds, are payable solely from and secured solely by a pledge of and lien on the Net Revenues of the Tollway System and certain other funds as provided in the Indenture.

THE 2019B BONDS AND ANY OTHER BONDS ISSUED UNDER THE INDENTURE DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE AUTHORITY OR OF THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE OF ILLINOIS, OR GRANT ANY RIGHT TO HAVE THE AUTHORITY OR THE ILLINOIS GENERAL ASSEMBLY LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST WITH RESPECT THERETO, OTHER THAN AS AUTHORIZED UNDER THE ACT AND PLEDGED IN ACCORDANCE WITH THE INDENTURE. THE ACT PROVIDES THAT NEITHER THE DIRECTORS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE 2019B BONDS SHALL BE LIABLE PERSONALLY ON THE 2019B BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE 2019B BONDS.

Toll Covenant

The Authority covenants in the Indenture that in each Fiscal Year, tolls will at all times be set so that Net Revenues will at least equal the Net Revenue Requirement for such Fiscal Year, comprised of the amount necessary to cure deficiencies, if any, in the Debt Service Account, Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Service Reserve Account plus the greater of (i) the sum of Aggregate Debt Service (defined to include all debt service on Senior Bonds), the Junior Bond Revenue Requirement and the Renewal and Replacement Deposit for such period, or (ii) 1.3 times the Aggregate Debt Service for such period. Under the Act, the Authority has the exclusive right to determine, fix, impose and collect tolls for the use of the Tollway System. Such tolls are required under the Act to be fixed at rates calculated to provide the lowest reasonable toll rates to provide funds that will be sufficient, together with other revenues of the Authority, to pay the costs of any authorized new construction and the reconstruction, major repairs or improvements to the Tollway System and the costs of operating and maintaining the Tollway System and paying debt service on all outstanding bonds. There is no other State of Illinois executive, administrative or regulatory body or regional or local governmental or regulatory body with the authority to limit or restrict such rates and charges.

Certain Amendments to the Indenture

Amendment Requiring Bondholder Consent. Each Supplemental Indenture of the Authority, beginning with the Seventh Supplemental Indenture and extending through the Twenty-Eighth Supplemental Indenture, amends the Indenture, subject to receipt of consent of the owners of the requisite principal amount of Bonds Outstanding on the date of such consent (as described below) and certain Providers (as defined in **APPENDIX D – "Summary of Certain Provisions of the Indenture – Definitions"**), to permit the Authority to sell, lease, encumber or otherwise transfer all or a portion of the Tollway System (collectively, "**Transfer**") upon delivery to the Trustee of, among other items, (i) an opinion of bond counsel to the effect that the Transfer complies with the provisions of the Act and the Indenture and will not cause interest on any Senior Bonds or Junior Bonds Outstanding immediately prior to the Transfer or on any Subordinated Indebtedness to become subject to Federal income taxation, (ii) evidence that the Transfer will not adversely affect the rating on any Bonds Outstanding immediately prior to the Transfer, (iii) a certificate of the Traffic Engineers estimating toll receipts for the portion of the Tollway System that has not been conveyed (the "**Remaining Tollway System**"), (iv) a certificate of the Consulting Engineers estimating Operating Expenses and Renewal and Replacement Deposits for the Remaining Tollway System, and (v) a certificate of the Authority based upon the certificates of the Traffic Engineers and the Consulting Engineers stating, among other things, that for the then current and each of the next ten Fiscal Years, the Net Revenues allocable to the Remaining Tollway System will be not less than the greater of (A) one and one-half (1.5) times the Aggregate Debt Service and the Junior Bond Revenue Requirement (excluding, in each case, bond interest, the payment of which shall have been provided by payments or deposits from Bond proceeds) allocable to the Remaining Tollway System for each such Fiscal Year (the "**Remaining Tollway System Debt Service**"), and (B) the sum of the Remaining Tollway System Debt Service and the Renewal and Replacement Deposit for each such Fiscal Year. See **APPENDIX D –** "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Covenants –** ***Sale, Lease or Encumbrance of Property***."

The amendment described in the preceding paragraph (the "**Transfer Amendment**") and more fully described in **Appendix D** shall not become effective until such time as the Authority has obtained both: (i) the consents of all Providers with respect to the Senior Bonds and Refunding Bonds then outstanding; and (ii) the consents of the Holders of at least a majority in principal amount of the Senior Bonds then outstanding and of at least a majority in principal amount of the Junior Bonds Outstanding then outstanding. The Authority has not issued any Junior Bonds. The Authority has received the consent of the requisite bondholders but not the requisite Providers. The Transfer Amendment is not yet effective. See **APPENDIX D –** "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – SUPPLEMENTAL INDENTURES**."

EACH PURCHASER OF THE 2019B BONDS SHALL BE DEEMED TO HAVE CONSENTED TO THE TRANSFER AMENDMENT BY ITS PURCHASE OF THE 2019B BONDS.

Flow of Funds

The Authority covenants to deliver all Revenues (other than investment income, unless otherwise directed by the Indenture) to the Treasurer of the State of Illinois (the "**Treasurer**"), within five Business Days after receipt, for deposit in the Revenue Fund. On or before the 20th day of each month, the Treasurer, at the direction of the Authority, will transfer or apply the balance in the Revenue Fund not previously transferred or applied in the following order of priority:

First, to the Operating Sub-Account of the Maintenance and Operation Account;

Second, to the Operating Reserve Sub-Account of the Maintenance and Operation Account;

Third, to the Interest Sub-Account, Principal Sub-Account and Redemption Sub-Account of the Debt Service Account, for deposits relating to the Senior Bonds;

Fourth, to the Provider Payment Sub-Account of the Debt Service Account to pay Costs of Credit Enhancement, not including termination payments, or Costs of Qualified Hedge Agreements, not including termination payments, or to reimburse Providers of Credit Enhancement for payments of principal or interest made by such Providers;

Fifth, to the Debt Reserve Account;

Sixth, to any Junior Bond Debt Service Account or any Junior Bond Debt Reserve Account;

Seventh, to the Termination Payment Account to pay termination payments then due and owing with respect to Credit Enhancement and Qualified Hedge Agreements;

Eighth, to the Renewal and Replacement Account;

Ninth, at the direction of the Authority, to the Improvement Account; and

Tenth, the balance, if any, to the System Reserve Account.

The flow of funds is further described in **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds.**"

Debt Reserve Account

The Indenture establishes one Debt Reserve Account for all outstanding Senior Bonds. Amounts on deposit in the Debt Reserve Account are required to be used by the Trustee to cure any deficiencies arising from time to time in the Debt Service Account with respect to payment of interest or principal (including Sinking Fund Installments) on Senior Bonds.

Concurrently with the delivery of the 2019B Bonds, there will be on deposit in the Debt Reserve Account an amount sufficient to meet the Debt Reserve Requirement. The Debt Reserve Requirement is the maximum annual Aggregate Debt Service for any Fiscal Year for all Outstanding Senior Bonds.

Under the Indenture, the Authority may deliver a surety bond, insurance policy, letter of credit or other credit facility meeting the requirements of the Indenture (a "**Reserve Account Credit Facility**") to the Trustee to meet all or a part of the Debt Reserve Requirement. For a description of the requirements of a Reserve Account Credit Facility, see **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds – *Debt Reserve Account***."

In November 2008, the Authority applied funds in the Debt Reserve Account to obtain a financial guaranty insurance policy qualifying under the Indenture as a Reserve Account Credit Facility from Berkshire Hathaway Assurance Corporation ("**BHAC**") in the stated amount of $100,000,000 (the "**BHAC Policy**") and for a term expiring January 1, 2033 to satisfy a portion of the Debt Reserve Requirement. The BHAC Policy is guaranteed by Columbia Insurance Company ("**Columbia**"), an affiliate of BHAC. Each of Moody's Investors Service and S&P Global Ratings, currently rate each of BHAC and Columbia as "Aa1" and "AA+," respectively. A.M. Best Company ("**A.M. Best**") currently rates Columbia with a Financial Strength Rating of "A++" and an Issuer Credit Rating of "aaa," both of which are the highest A.M. Best ratings for those categories. A.M. Best does not rate BHAC.

Upon issuance of the 2019B Bonds and application of the proceeds thereof, the applicable Debt Reserve Requirement will equal $500,187,050. On the date of issuance of the 2019B Bonds, the aggregate amount of cash and permitted investments on deposit in the Debt Reserve Account, together with any financial guaranty insurance policies or other instruments constituting a Reserve Account Credit Facility, will be not less than the Debt Reserve Requirement.

In the event the balance in the Debt Reserve Account is less than the Debt Reserve Requirement, the Treasurer, at the direction of the Authority, is required to transfer monthly to such Account from the Revenue Fund, subject to certain prior transfers as described above under "**SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS – Flow of Funds**," the amount necessary to maintain the balance in the Debt Reserve Account at a level equal to the Debt Reserve Requirement. In the event the amount credited to the Debt Reserve Account, including the amount of any Reserve Account Credit Facility, and after making any required reimbursement to a Provider of a Reserve Account Credit Facility, exceeds the Debt Reserve Requirement, the excess may be transferred as provided in the Indenture and summarized under **APPENDIX D** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds –** ***Debt Reserve Account***."

Additional Indebtedness

The Indenture permits the Authority to incur additional indebtedness, including Senior Bonds, on parity with the 2019B Bonds, and other Outstanding Senior Bonds, Junior Bonds and Subordinated Indebtedness. Additional Senior Bonds may be issued for the purposes of (a) paying Costs of Construction of Projects (which include modifications and enhancements to the existing Tollway System, as well as System Expansion Projects and Renewal and Replacements), (b) refunding or prepaying, at or prior to maturity, Senior Bonds or any other obligations of the Authority issued or entered into for purposes for which Senior Bonds may be issued, (c) making deposits to the Debt Reserve Account or acquiring a Reserve Account Credit Facility, (d) paying interest on any Bond, (e) paying any costs of issuing Senior Bonds, and (f) paying Costs of Credit Enhancement and Qualified Hedge Agreements for Additional Senior Bonds. The requirements relating to the incurrence of additional indebtedness are described in this Official Statement in **APPENDIX D** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Additional Indebtedness**."

The Authority is also authorized by the Indenture to incur additional indebtedness by the issuance of one or more series of Junior Bonds or Subordinated Indebtedness for any purpose for which Senior Bonds may be issued without satisfying the Additional Senior Bonds test.

Other Covenants

The Authority covenants in the Indenture not to: (i) issue any bonds or other evidences of indebtedness (other than Senior Bonds, Junior Bonds and Subordinated Indebtedness) secured by a pledge of or lien on Net Revenues or the moneys, securities or funds set aside under the Indenture; (ii) create any lien or charge on Net Revenues or the moneys, securities or funds set aside under the Indenture except for (a) evidences of indebtedness payable from moneys in the Construction Fund as part of the Cost of Construction of any Project, and (b) Subordinated Indebtedness; or (iii) sell, lease or otherwise dispose of or encumber the Tollway System except as provided in the Indenture. See **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Covenants –** ***Sale, Lease or Encumbrance of Property*****."** The Authority also covenants, among other things, to prepare an annual budget, operate the Tollway System in a sound and economical manner, maintain the Tollway System, maintain insurance and keep proper books and records.

The Trustee

The Indenture contains provisions regarding the designation of a successor trustee by the Authority and the assumption by a successor trustee without Authority action of the trusteeship resulting from the transfer of substantially all corporate trust business of the Trustee. See **APPENDIX D** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Removal or Merger or Consolidation of Trustee**."

The Indenture grants to the Trustee the right to act on behalf of the owners of the 2019B Bonds and other Outstanding Senior Bonds and any Outstanding Junior Bonds if an Event of Default occurs. The rights of owners of Bonds to bring direct action are limited as provided in the Indenture, but owners may bring direct action in the event of a default in the payment of Debt Service. See **APPENDIX D** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default –** ***Proceedings Brought By Trustee***."

THE AUTHORITY

The Authority was created under the Act as an instrumentality and administrative agency of the State of Illinois (the "**State**") to provide for the construction, operation, regulation and maintenance of a system of toll highways within the State. Under the Act, on April 1, 1968, the Authority assumed all the obligations, powers, duties, functions and assets of its predecessor agency, the Illinois State Toll Highway Commission. The Act authorizes the issuance of revenue bonds for the purposes of, among others, financing expansions of the Tollway System and reconstruction of and improvements to the Tollway System, and authorizes the issuance of refunding bonds for the purpose of refunding any bonds of the Authority then outstanding at maturity or on any redemption date.

The Authority is empowered to enter into contracts; to acquire, own, use, hire, lease, operate and dispose of personal and real property, including rights-of-way, franchises and easements; establish and amend resolutions, by-laws, rules and regulations, fix and revise tolls; acquire, construct, relocate, operate, regulate and maintain the Tollway System; exercise the power of eminent domain; and contract for services and supplies, including services and supplies for the various patron service areas on the Tollway System.

Board of Directors

The Authority is governed by an 11-member Board of Directors that includes the Governor of Illinois, *ex officio,* and the Secretary of the Illinois Department of Transportation, *ex officio*. Nine directors are appointed by the Governor, with the advice and consent of the Illinois Senate. Pursuant to Illinois Public Act 100-1180, signed into law by Illinois Governor Pritzker on February 28, 2019, the directors listed below were appointed for the respective terms listed below. Subsequent appointments will be appointed for four-year terms or in the case of an appointment to fill a vacancy, the unexpired term. No more than five directors may be from the same political party. Of the directors appointed by the Governor, one is appointed by the Governor as Chairman of the Authority.

The present directors, their terms of office and occupations are listed below.

Name	Initial Appointment*	Expiration of Current Term	Occupation
Governor JB Pritzker, *ex officio*	—	—	Governor of the State of Illinois
Secretary Omer Osman, *ex officio*	—	—	Secretary, Illinois Department of Transportation
Willard S. Evans, Jr., Chairman	February 28, 2019	March 1, 2021	President (retired), Peoples Gas and North Shore Gas
James Connolly, Vice Chair	February 28, 2019	March 1, 2023	Business Manager, Chicago & Vicinity Laborers' District Council of the Laborers' International Union of North America
Stephen L. Davis	February 28, 2019	March 1, 2023	Chairman, The Will Group
Alice Gallagher	February 28, 2019	March 1, 2021	President, Board of Trustees of the Village of Western Springs
Karen McConnaughay	February 28, 2019	March 1, 2021	Former State Senator
Scott Paddock	February 28, 2019	March 1, 2021	President, Chicagoland Speedway and Route 66 Raceway
Gary Perinar	February 28, 2019	March 1, 2021	Executive Secretary-Treasurer, Chicago Regional Council of Carpenters Local 174
James Sweeney	February 28, 2019	March 1, 2023	President-Business Manager, International Union of Operating Engineers Local 150
Vacancy		*March 1, 2023*	

* Initial appointments and reappointments are subject to Illinois Senate confirmation. Any such appointment or reappointment that is not acted upon by the Illinois Senate within 60 session days is deemed to have received confirmation. All appointments of directors listed above have been confirmed by the Illinois Senate.

Principal Administrative Personnel

The Board of Directors of the Authority appoints an Executive Director and employs certain other personnel to administer the Tollway System and implement its policies. The following individuals are the principal administrative personnel of the Authority:

Willard S. Evans, Jr., Chairman of the Board and Chief Executive Officer. On February 28, 2019, Mr. Evans was appointed Chairman of the Board of the Authority. Mr. Evans has nearly 40 years of experience in strategic planning, operations, engineering, construction, large infrastructure projects and major IT system implementations and has been in senior leadership for over 20 years. He is the former President of Peoples Gas and North Shore Gas, regulated natural gas utilities now owned by WEC Energy Group.

José Alvarez, Executive Director. On April 18, 2019, the Board of Directors appointed Mr. Alvarez as Executive Director of the Authority. Mr. Alvarez assumed the responsibilities of Executive Director on May 1, 2019. Prior to joining the Authority, Mr. Alvarez served as Chief Operating Officer and Chief of Staff of the Chicago Housing Authority. Mr. Alvarez has extensive experience in government administration for large, complex organizations. In addition to his work at the Chicago Housing Authority, Mr. Alvarez has served as Chief of Staff for the State Superintendent of Education for Washington D.C. Schools and Deputy Chief of Staff for Chicago Public Schools.

Michael J. Colsch, Chief Financial Officer. Mr. Colsch has been Chief Financial Officer or, as such position was previously titled, Chief of Finance of the Authority since April 2003. Mr. Colsch has had a lead role in managing financing of the Authority's Congestion-Relief Program that commenced in 2005 and Move Illinois Program that commenced in 2012. Prior to joining the Authority, Mr. Colsch was employed by the Illinois Bureau of the Budget and has been involved in major capital program planning and financing for over twenty-five years. He has managed the State's general obligation, Build Illinois, Illinois First and civic center bonding programs. Mr. Colsch has an M.A. Degree in Economics from Western Illinois University and a B.A. Degree in Economics from Loras College in Dubuque, Iowa.

Kathleen R. Pasulka-Brown, Assistant Attorney General and General Counsel to the Authority. Ms. Pasulka-Brown began as General Counsel of the Authority on April 8, 2019. Ms. Pasulka-Brown began her legal career at the Chicago office of Chapman and Cutler. She subsequently became a partner at the Foley and Lardner law firm and most recently was a partner at Pugh, Jones & Johnson. During the more than 32 years Kathleen has practiced law in Chicago, she has litigated matters involving insurance, electric and gas utilities, telecommunications, employment, construction, discrimination, foreclosures and bankruptcy. She has investigated failed banking institutions and prosecuted multi-million dollar claims against the directors and officers of such institutions. She also has handled federal and state appeals involving constitutional law, voting rights, contractual rights, tort immunity, the education of individuals with disabilities, personal injury and sexual abuse. In addition to litigation, Kathleen also has significant experience using alternative dispute resolution procedures to resolve contested issues as well as experience providing counsel designed to improve client operations and bridge the gap between competing interest groups. Ms. Pasulka-Brown received her undergraduate degree from the University of California at Los Angeles and her law degree from Harvard Law School.

Paul Kovacs, P.E., Chief Engineering Officer. Mr. Kovacs has been Chief Engineering Officer or, as such position was previously titled, Chief Engineer of the Authority since November 2007. As Chief Engineering Officer of the Authority, Mr. Kovacs is responsible for the organization of the Engineering Department, including policies, procedures and performance, to ensure the integrity and safety of the Tollway infrastructure and the implementation of the Move Illinois and Congestion-Relief Programs. He oversees a staff of engineers and consultants and manages the Engineering Department with a combined staff of approximately 500 employees. Mr. Kovacs joined the Authority in 1999. As Deputy Chief and Deputy Program Manager, he successfully managed the high-profile conversion to open road tolling under extremely tight deadlines. Mr. Kovacs has also overseen much of the Tri-State and I-88 rehabilitation under the Congestion-Relief Program. Mr. Kovacs received his B.S. Degree in Civil Engineering from the University of Illinois at Urbana-Champaign. He is a Registered Professional Engineer in the States of Illinois and Michigan.

Derek Messier, Chief Operating Officer. Mr. Messier has served as Chief Operating Officer since joining the Authority in August 2019. As Chief Operating Officer, Mr. Messier is responsible for Tollway operations with a focus on execution and monitoring of Authority objectives, policies, guidelines and programs, while ensuring the Executive Director's goals and objectives are comprehensively addressed. Mr. Messier reports directly to the Executive Director and oversees the following five departments: (i) Business Systems; (ii) Communications; (iii) Engineering; (iv) Planning; and (v) Toll Operations. Prior to joining the Authority, Mr. Messier served as Chief Property Officer for the Chicago Housing Authority and has served in executive leadership for governmental agencies for the past nine years. Before entering the public sector, Mr. Messier worked for twelve years in a variety of consulting roles in the architecture, engineering and construction industries for both private and public clients. Mr. Messier received his M.B.A. Degree from Loyola University.

Organizational Structure

The Authority's organizational structure consists of 15 departments, including Administration, Business Systems, Communications, Diversity and Strategic Development, Engineering, Executive Office and Directors, Finance, Information Technology, Office of the Inspector General, Internal Audit, Legal, Planning, Procurement, State Police District 15 and Toll Operations. The Chairman of the Board is the Chief Executive Officer and exercises general supervision over all powers, duties, obligations and functions of the Authority. The Executive Director manages the day-to-day operations of the Authority. Department chiefs report to the Executive Director except for (i) the Toll Highway Inspector General who reports to the Board of Directors with respect to the operation of the Inspector General's Office, which is an independent office of the Authority, (ii) the Chief Internal Auditor, EEO Officer and General Counsel who report to the Chief Executive Officer, and (iii) the five departments that report to the Chief Operating Officer (who reports to the Executive Director) as described in the preceding paragraph. The Commander of State Police District 15 also reports to the Superintendent of the State Police, and the General Counsel to the Authority also reports to the Attorney General of the State of Illinois.

The Administration Department is responsible for the development and implementation of administrative policies and procedures and employee compliance therewith.

The Business Systems Department is responsible for overseeing the electronic tolling system, collecting toll revenue and assessing and collecting fines and penalties from toll violators. The Department's responsibilities also include customer service functions associated with electronic toll collection and evasion recovery.

The Communications Department is responsible for external and internal communications between the Authority and its constituents, including customers, news media, elected and appointed officials, the general public and employees.

The Diversity and Strategic Development Department is responsible for increasing access to economic opportunities for small businesses and disadvantaged, veteran-, minority- and women-owned business enterprises in construction contracting, construction-related consulting and the supply of other goods and services.

The Engineering Department is responsible for the design, construction and maintenance of the Tollway System. It also coordinates with community groups, government agencies, and planning organizations on transportation and land-use policies.

The Executive Office and Directors Department manages Authority affairs consistent with the Act.

The Finance Department is responsible for general accounting, budgeting, treasury functions, financial reporting, accounts payable, toll revenue audit, payroll, risk management and debt management. In addition, the Finance Department manages certain investments of the Authority.

The Information Technology Department is responsible for planning, directing, managing and controlling information technologies and telecommunications throughout the Authority.

The Inspector General's Office is responsible for investigating allegations of waste, fraud, abuse, corruption, misconduct and mismanagement in the day-to-day operations of the Authority. In accordance with the Act the Inspector General is separately appointed by the Governor, with the advice and consent of the Illinois State Senate by the concurrence of three-fifths of the elected members by a record vote and serves a five-year term.

The Internal Audit Department recommends policies and procedures to ensure that the Authority's Board members, employees and contractors and/or vendors adhere to all state and federal laws and internal rules and regulations.

The Legal Department is a Bureau of the Office of the Attorney General of the State of Illinois. The Attorney General is, by law, the legal advisor and attorney for the Authority.

The Planning Department is responsible for Strategic Programming and Planning, Inter-Governmental Agreements, Environmental and Landscaping, Legislation & Police, Community Relations, Property Management, Geographic Information System (GIS) and Geometrics.

The Procurement Department is responsible for purchasing and procurement issues, authorized to execute contracts and place orders for goods and services, and responsible for warehousing inventories.

State Police District 15 is one of 21 districts of the Illinois State Police and is responsible for providing comprehensive law enforcement services. District 15 serves the entire Tollway System. Officers assigned to District 15 patrol the Tollway System to enforce speed limits and traffic laws, assist disabled motorists, and provide special details for operations, such as overweight vehicle enforcement.

The Toll Operations Department is responsible for providing the necessary resources and services to maintain the Authority's toll operations and facilities, as well as managing the collection and counting of cash tolls. Additionally, Toll Operations oversees the day-to-day maintenance and upkeep of the Authority's facilities system-wide.

Labor Relations

As of September 30, 2019, unions represent approximately 1,015 of the Authority's 1,250 employees. The Authority currently has a collective bargaining agreement with the State and Municipal Teamsters, Chauffeurs, and Helpers Union Local 700 (the "**Teamsters**"), representing approximately 422 employees, the majority of which are roadway maintenance personnel. The collective bargaining agreement began March 1, 2018 and is scheduled to expire February 28, 2023. In addition, the Authority has entered into two separate collective bargaining agreements with the Metropolitan Alliance of Police ("**MAP 135 & 336**"), which together represent 26 employees. The Authority's agreement with MAP 135, the MAP's Telecommunicators, runs from May 1, 2017 through April 30, 2021. The Authority's agreement with MAP 336, the MAP's Civilian Call Takers, began November 1, 2018 and is scheduled to expire October 31, 2022. Approximately 334 Authority employees are represented by the Service Employees International Union Local 73 ("**SEIU**"). The SEIU bargaining unit includes toll collectors, money room employees, clerks, custodians, and warehouse workers. The Authority's collective bargaining agreement with SEIU runs from July 1, 2018 through June 30, 2023. Finally, approximately 233 professional and non-professional white collar employees are represented by the American Federation of State, County and Municipal Employees, Council 31 ("**AFSCME**") Local 3883. The Authority's agreement with AFSCME began January 1, 2018 and is scheduled to expire December 31, 2022.

Pension Plan

The State Employees' Retirement System of Illinois ("**SERS**") is a defined benefit, single-employer public employee retirement system established to provide pension benefits for State of Illinois employees. SERS also administers widows and survivors benefits as well as the State's occupational and non-occupational disability programs. SERS is governed by a 13-member Board of Trustees, consisting of the Illinois Comptroller, six trustees appointed by the Governor with the advice and consent of the Illinois Senate, four trustees elected by SERS members, and two trustees elected by SERS retirees. As of June 30, 2018, participation in SERS includes approximately 61,400 active State employees and 73,200 benefit recipients.

Substantially all of the Authority's approximately 1,250 employees participate in SERS. SERS benefits earned by Authority employees while employed by the Authority are the responsibility of and administered by SERS, not the Authority.

The benefits paid by SERS are funded primarily through contributions made by employees participating in SERS, contributions made by the State (the "**State Contribution**") actuarially calculated pursuant to the provisions of the Illinois Pension Code, as amended (the "**Pension Code**"), and investment returns on assets held by SERS. The Authority pays a portion of the State Contribution, which is determined through application of an employer contribution rate applied to the payroll of Authority employees participating in SERS (the "**Authority Contribution**"). See "*State Contribution and Portion of State Contribution Paid by the Authority*" below.

SERS Significantly Underfunded

As of June 30, 2018, SERS' total pension liability was $50,519,687,332, its fiduciary net position (market value of assets) was $17,463,278,241, and its net pension liability was $33,056,409,091. SERS' funded ratio, its fiduciary net position as a percentage of its total pension liability (the "**Funded Ratio**"), is 34.57% as of June 30, 2018. As of the end of fiscal years ended June 30, 2014 through June 30, 2018, SERS' Funded Ratios have ranged from 30.58% to 35.27%. SERS' Funded Ratios reflect that SERS has been and is significantly underfunded. SERS' Funded Ratio is among the lowest of state pension plans in the United States.

Additional Information Regarding SERS

Additional information regarding SERS, including a review of SERS' administration, funding, investments, pension benefit provisions, changes in benefit provisions, employee eligibility requirements (including eligibility for vesting) and the authority under which benefit provisions are established, are included in the SERS comprehensive annual financial report ("**CAFR**") for the fiscal year ended June 30, 2018. The SERS CAFR is available on its website at https://srs.illinois.gov/SERS/annreports_sers.htm, or by request directed to State Employees Retirement System, 2101 S. Veterans Parkway, Springfield, Illinois 62794-9255. Neither the content of the SERS CAFR nor the SERS website, or any information on the links appearing on the url disclosed in the previous sentence, is incorporated in this Official Statement by reference. The Authority takes no responsibility for, nor has it attempted to verify the accuracy of, the information contained either in the SERS CAFR or on the SERS website. The Authority has not independently verified the information contained either in the SERS CAFR or on the SERS website and makes no representations and expresses no opinion as to the accuracy of such information.

State Contribution and Portion of State Contribution Paid by the Authority

The State Contribution is calculated by an actuary pursuant to the provisions of the Pension Code. The Pension Code requires the State to contribute annually the level percent of payroll necessary to allow SERS to achieve a 90% funded ratio by State fiscal year 2045.

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SERS establishes an employer contribution rate to be applied to fund the State Contribution. The employer contribution rate is expressed as a percentage of payroll for the upcoming fiscal year based on the required contribution for that fiscal year, the estimated payroll of eligible employees, and the recommendations of the actuary. The following table lists the employer contribution rates established by SERS for State fiscal years 2010-2020:

Dates Applicable	Employer Contribution Rate (%)
July 1, 2009 – June 30, 2010	28.377
July 1, 2010 – June 30, 2011	27.988
July 1, 2011 – June 30, 2012	34.190
July 1, 2012 – June 30, 2013	37.987
July 1, 2013 – June 30, 2014	40.312
July 1, 2014 – June 30, 2015	42.339
July 1, 2015 – June 30, 2016	45.598
July 1, 2016 – June 30, 2017	44.568
July 1, 2017 – June 30, 2018	47.342*
July 1, 2018 – June 30, 2019	51.614**
July 1, 2019 – June 30, 2020	54.290
July 1, 2020 – June 30, 2021	54.831 (preliminary)***

* The employer contribution rate for State fiscal year 2018 was initially set at 54.013% and subsequently revised, effective for payrolls after January 10, 2018, to 47.342%, in accordance with Public Act 100-0023, to smooth out actuarial assumption changes over a five-year period. Refunds were provided for the excess portion of contributions made at the 54.013% rate, prior to the rate reduction to 47.342%.

** The employer contribution rate for State fiscal year 2019 was set at 51.614% and the Authority made contributions based on such rate. Pursuant to Public Act 100-0587, that employer contribution rate has been recertified from 51.614% to 51.152%, retroactive to July 1, 2018. The Authority expects to receive a refund corresponding to the reduction before the end of the Authority's fiscal year ending December 31, 2019. SERS has not yet provided an estimate of the dollar amount of the refund.

*** At its October 29, 2019 Board meeting, SERS set a preliminary employer contribution rate for the State fiscal year ending June 30, 2021 of 54.831%. The preliminary employer contribution rate is subject to review by the State actuary and expected to be finalized in January 2020.

The Authority pays the portion of the State Contribution to SERS related to the Authority's payroll, calculated pursuant to the applicable employer contribution rate set forth above. The Authority's contributions for Authority fiscal years (calendar years) 2010 through 2018 were as follows:

Dates Applicable	Authority Contribution (Dollars in millions)
January 1, 2010 – Dec 31, 2010	30.3
January 1, 2011 – Dec 31, 2011	32.8
January 1, 2012 – Dec 31, 2012	37.9
January 1, 2013 – Dec 31, 2013	41.9
January 1, 2014 – Dec 31, 2014	46.7
January 1, 2015 – Dec 31, 2015	49.8
January 1, 2016 – Dec 31, 2016	50.2
January 1, 2017 – Dec 31, 2017	55.6
January 1, 2018 – Dec 31, 2018	55.2

The Authority's contribution for its fiscal year 2018 was significantly below its budgeted amount of $59.3 million due to the reduction in the employer contribution rate for the first six months of 2018 from 54.013% to 47.342%, which occurred after establishment of the Authority's 2018 budget. The Authority's contribution for Authority fiscal year 2019, included in its 2019 budget, is $58.7 million, based on an assumed average employer contribution rate of 52.750%. The Authority's contributions to SERS are predominantly Operating Expenses of the Authority and, as such, are predominantly paid from the Maintenance and Operations Account. See "**SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS – Flow of Funds**." For additional information, please see **APPENDIX A – "FINANCIAL STATEMENTS – NOTE 12 – CONTRIBUTIONS TO STATE EMPLOYEES' RETIREMENT SYSTEM."**

The Authority Contribution to SERS has increased in recent years and may increase in the future as a result of potential increases to the employer contribution rate and/or increases to the amount of payroll, and such increases may have a material impact on the Authority's finances. See **"Certain Risk Factors – Pension Expenses."**

The Authority currently contributes to SERS based on the covered payroll of Authority employees. Through legislative action, the State has the ability to modify the basis by which the Authority Contribution to SERS is determined. The Authority cannot predict the likelihood or the nature of any such future legislative action or changes in employer contribution rates as calculated by actuaries.

Financial Reporting under GASB Standards

The Governmental Accounting Standards Board ("**GASB**") promulgates standards for financial reporting, including with respect to financial statements prepared by public pension systems and governments sponsoring such pension systems. Although SERS' actuary utilizes these standards in preparing certain aspects of the annual actuarial valuation and the State uses these standards for financial reporting purposes, such standards do not impact the calculation of the State Contribution or the Authority Contribution.

For the Authority's fiscal years up to and including the fiscal year ended December 31, 2014, the applicable GASB financial reporting standard pursuant to which the Authority's financial statement disclosures related to pensions were prepared was GASB Statement No. 27 (the "**Prior GASB Standard**"). Beginning with the Authority's fiscal year ending December 31, 2015, the applicable GASB financial reporting standard pursuant to which the Authority's financial statement disclosures related to pensions have been prepared is GASB Statement No. 68, as amended by GASB Statement No. 71 (the "**Current GASB Standard**").

With respect to SERS and other government pension systems, the Current GASB Standard requires calculation and disclosure of a "**Net Pension Liability**," which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the Current GASB Standard (referred to in such statements as the "**Total Pension Liability**") and the fair market value of the pension plan's assets (referred to as the "**Fiduciary Net Position**").

The Current GASB Standard requires SERS to produce an allocation of its Net Pension Liability and pension expense (the "**Pension Expense**") and to recognize proportionate shares for the State's primary government and component units, including the Authority. As a component unit of the State for financial reporting purposes, beginning with the fiscal year ending December 31, 2015, the Authority reports, among other items related to the Current GASB Standard, SERS' calculation of the proportionate amount of SERS' Net Pension Liability and Pension Expense allocable to the Authority under the Current GASB Standard. The implementation of the Current GASB Standard for financial reporting purposes has not changed the Authority's pension-related funding obligations.

SERS has prepared allocations of its Net Pension Liability for each of its fiscal years ended June 30, 2014 through June 30, 2018. The percentage allocated to the Authority (the "**Allocation Percentage**") in each year was determined by comparing the Authority Contribution to the State Contribution, with certain adjustments, for such years. The Allocation Percentage and the resultant allocated Net Pension Liability for such fiscal years are as follows:

SERS Fiscal Year (June 30)	**Allocation Percentage**	**Allocated Net Pension Liability**
2014	2.6826%	$727,079,026
2015	2.6261	735,523,053
2016	2.6832	900,824,457
2017	2.6999	888,456,774
2018	2.6698	882,540,010

In addition, the portion of Pension Expense allocated to the Authority for the SERS' fiscal years ended June 30 of each of 2014 (the first year for which such allocation was made), 2015, 2016, 2017 and 2018 was $81,995,381, $62,052,322, $115,385,838, $118,083,891, and $97,525,530, respectively. The Pension Expense included in the Authority's financial statements for Authority fiscal years ending December 31, will differ from these amounts due to certain adjustments related to the State's fiscal year-end (June 30) being different from the Authority's fiscal year-end (December 31).

While the portions of SERS' Net Pension Liability and Pension Expense allocated to the Authority are material to the Authority's financial statements, the State Contribution and Authority Contribution are determined pursuant to the Pension Code, which requires the State to amortize its unfunded liabilities of SERS to a funded ratio of 90% by 2045. Therefore, the Current GASB Standard does not impact the State Contribution and Authority Contribution.

Other Post-Employment Benefits

The State provides certain health, dental, vision and life insurance benefits (such post-employment benefits other than pensions being commonly referred to as "**other post-employment benefits**" or "**OPEB**") to certain retirees, including former Authority employees and their dependents. Substantially all State employees, including Authority employees, may become eligible for OPEB if they eventually become annuitants of one of the State sponsored pension plans, including SERS. The Illinois Department of Central Management Services administers these benefits with the assistance of the State's public retirement systems, including SERS. The benefits provided and contribution amounts are subject to periodic change. A summary of the OPEB provisions, including the authority under which such provisions are established, and OPEB funding and cost is included as an integral part of the State CAFR for State fiscal year ended June 30, 2018, *provided, however,* that the content of such State CAFR is not incorporated in this Official Statement by such reference.

As of December 31, 2018, 1,099 Authority retirees meet the eligibility requirements for OPEB. For the years ended December 31, 2013, 2014, 2015, 2016, 2017 and 2018, the Authority contributed $5.3 million, $3.9 million, $4.1 million, $4.2 million, $4.3 million, and $4.2 million, respectively, toward the State's cost of these benefits. The Authority's contributions towards the State's costs of OPEB benefits are Operating Expenses of the Authority and, as such, are paid from the Maintenance and Operation Account.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was adopted by the Authority beginning with its annual financial statements for the fiscal year ending December 31, 2018. This statement establishes standards for recognizing and measuring OPEB liabilities, deferred inflows/outflows of resources and expenses and expenditures. The Illinois Department of Central Management Services prepares a report on the allocation of the State's OPEB liability to the funds, departments and agencies of the State. At December 31, 2018, the Authority recorded a liability of $140.1 million on the Authority's statement of net position for the share of the State's net OPEB liability allocated to the Authority. Such recorded OPEB liability, as reported at December 31, 2018, was measured as of June 30, 2018, with an actuarial valuation as of June 30, 2017. The Authority's portion of the State's net OPEB liability was based on the Authority's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2018. As of the measurement date of June 30, 2018, the Authority's proportion was 0.3495%. While reporting an allocation of a portion of the State's OPEB liability, which began with the Authority's financial statements for the fiscal year ended December 31, 2018, may be material to the Authority's financial statements, the basis for the Authority's contributions towards the State's costs of these benefits is not expected to change and is expected to continue to be an annual reimbursement based on costs incurred.

THE TOLLWAY SYSTEM

The Tollway System presently consists of approximately 294 miles of limited access highway in twelve counties in the northern part of Illinois and is an integral part of the expressway system in northern Illinois and the U.S. Interstate Highway System. The entire Tollway System has been designated a part of the U.S. Interstate Highway System.

Since beginning operations in 1958, the Tollway System has served an important role in the development of the northern Illinois economy. During its initial operation, the Tollway System permitted rapid interstate travel between northern Illinois, Indiana and Wisconsin. As the suburban areas surrounding Chicago expanded throughout the 1960's and 1970's, the Tollway System evolved into primarily a commuter travel system, serving suburban Chicago and Chicago O'Hare International Airport. At the present time, the five routes of the Tollway System described below serve, among other areas, suburban Cook County and the Chicago area "collar counties," which together represent steadily growing areas in Illinois in terms of population and employment.

Routes

The Tollway System is currently made up of five tollways: the Jane Addams Memorial, the Tri-State, the Veterans Memorial, the Ronald Reagan Memorial and Illinois Route 390 (individually, the "**Tollway**" and collectively, "**Tollways**").

The Jane Addams Memorial Tollway, formerly the Northwest Tollway, constituting a portion of U.S. Interstate Highway 90, is a 76-mile roadway. The Jane Addams Memorial Tollway begins east of the intersection of the Kennedy Expressway from downtown Chicago and the Tri-State Tollway in the vicinity of O'Hare International Airport and extends to the west, crossing the Fox River just north of Elgin, Illinois. From there, it runs northwesterly to Rockford, Illinois and then northerly to a point near the Illinois-Wisconsin border, where it feeds into the Wisconsin portion of U.S. Interstate Highway 90 leading to Madison, Wisconsin.

The Tri-State Tollway, constituting portions of U.S. Interstate Highways 80, 94 and 294 and including the 5-mile Edens Spur, is an 82-mile beltway around the Chicago metropolitan area. It extends from a point near the Indiana state line, where it intersects with the Bishop Ford and the Kingery Expressways to a point near the Illinois-Wisconsin border, where it connects with U.S. Route 41 and U.S. Interstate Highway 94 from Milwaukee. The Tri-State also connects with the Ronald Reagan Memorial Tollway to the western suburbs, the Eisenhower Expressway to downtown Chicago, the Jane Addams Memorial Tollway to the northwest suburbs, the Kennedy Expressway to downtown Chicago, the north end of the Edens Expressway to the north shore suburbs and downtown Chicago, and the Stevenson Expressway to downtown Chicago. From its southern terminus, the Tri-State Tollway has a direct connection to the Indiana Toll Road via the Kingery Expressway and U.S. Interstate Highway 80. The Tri-State Tollway is the most traveled Tollway in the Tollway System, accounting for approximately 46% of the toll revenues of the Tollway System.

The Veterans Memorial Tollway (Interstate 355), formerly the North-South Tollway, is a 30-mile highway generally paralleling Illinois Route 53 in DuPage and Will Counties between approximately the intersection of Army Trail Road and the U.S. Interstate Highway 290 spur in Addison on the north and U.S. Interstate Highway 80 (near Joliet) on the south. The Veterans Memorial Tollway, which opened in December 1989, is the newest addition to the Tollway System and consists of six through lanes along its entire length. The Veterans Memorial Tollway runs through or near the communities of Bolingbrook, Downers Grove, Naperville, Lombard, Glen Ellyn and Wheaton. A 12.5-mile south extension of the Veterans Memorial Tollway through Will County from U.S. Interstate Highway 55 to U.S. Interstate Highway 80 (the "**South Extension**") opened on November 12, 2007, increasing the size of the Veterans Memorial Tollway to 30 miles.

The Ronald Reagan Memorial Tollway, formerly the East-West Tollway, constituting a portion of U.S. Interstate Highway 88, covers 96 miles and begins east of the junction of the Tri-State Tollway and the Eisenhower Expressway and runs southwest and west, providing service to Oak Brook, Naperville, Aurora, DeKalb and Dixon, Illinois, ending at U.S. Route 30 in the Sterling/Rock Falls area. From U.S. Route 30, U.S. Interstate Highway 88 is a toll-free facility connecting to U.S. Interstate Highway 80 and the Quad Cities.

Illinois Route 390, formerly known as the Elgin O'Hare Expressway, is the first all-electronic roadway to open on the Tollway System. Toll collection began July 5, 2016 on the western segment of Illinois Route 390 Tollway from Lake Street (U.S. Route 20) to I-290. The eastern segment of Illinois Route 390, from I-290 East to Illinois Route 83, opened to traffic with all-electronic tolling on November 1, 2017. Illinois Route 390 is the 10-mile east-west portion of the Elgin O'Hare Western Access Project (as defined below under "**THE CAPITAL PROGRAMS – The Move Illinois Program**"). The Elgin O'Hare Western Access Project also includes a planned north-south connection from the eastern terminus of Illinois Route 390, connecting I-90 at Elmhurst Road to the north and I-294 near North Avenue to the south, which is currently planned to be completed by 2026 and is currently expected to be designated as U.S. Interstate Highway 490.

Other Limited Access Highways

There are no limited access freeways or other limited access highways under construction, and to the knowledge of the Authority, no Federal, state or other agency is now planning the construction, improvement or acquisition of any highway or other facility that may be materially competitive with the Tollway System.

Patron Service Areas

Six patron service areas (collectively, "**Oasis facilities**") serve the existing Tollway System. Five of the Oasis facilities are comprised of patron service buildings that house washroom facilities, restaurants and other traveler-related convenience services ("**Oasis pavilions**") and motor fuel facilities consisting of a fuel station and associated retail convenience store ("**Oasis fuel facilities**"). The other Oasis facility only has an Oasis fuel facility; it does not have an Oasis pavilion. A brief overview of the Oasis facilities since 2002 follows.

In 2002, the Authority entered into separate triple-net lease agreements with Wilton Partners Tollway LLC ("**Wilton**") for developing, operating, maintaining and managing the then-seven Oasis pavilions and with ExxonMobil Oil Corporation ("**Exxon**") for developing, operating, maintaining and managing the then-seven Oasis fuel facilities. The lease agreements extend until April 2027.

On September 30, 2010, SFI Chicago Tollway LLC ("**SFI**"), an iStar subsidiary, took ownership of the Wilton leasehold, following court approval of a foreclosure sale. SFI contracts with MB Real Estate Services, LLC to manage the day-to-day operation of the Oasis pavilions. The guaranteed minimum rent for the Oasis pavilions was $743,000 in lease years 4-10 (2006–2012), increased to $850,000 in years 11-25 (2012–2027) (subsequently reduced as described below). Over and above the guaranteed minimum rent, if SFI sublessees' sales exceed certain sublease-specific break points, the Tollway shares in a percentage of the profits.

In 2011, Exxon assigned its leasehold interest in the Oasis fuel facilities to 7-Eleven. Guaranteed rent for the Oasis fuel facilities is $900,250 annually.

In connection with widening and reconstruction work on the Jane Addams Memorial Tollway (I-90) as part of the Move Illinois Program, on September 26, 2013, the Tollway's Board of Directors approved an agreement to terminate the portions of the Oasis lease specifically applicable to the Des Plaines Oasis pavilion. The Tollway provided the required advance notice to SFI and assumed possession of this Oasis pavilion for demolition purposes on April 1, 2014, after, in accordance with the terms of the lease, negotiating compensation to SFI, consisting of $8.8 million from the Authority and $500,000 from a reserve account. As a result of this limited lease termination, effective April 1, 2014 the annual Guaranteed Rent paid by SFI to the Tollway for the remaining Oasis pavilions was reduced from $850,000 to $728,571. This lease termination with SFI related to the Des Plaines Oasis pavilion only and did not result in the removal of the 7-Eleven fuel station and associated retail convenience store (*i.e*., the Des Plaines Oasis fuel facility) nor did it affect the lease payments to the Authority therefor. Subsequently, on December 14, 2018, the Des Plaines Oasis fuel facility and related ramps and parking lots were permanently closed in preparation for future work on an interchange linking the Jane Addams Memorial Tollway to the planned I-490 tollway. Guaranteed rent for the Oasis fuel facilities was reduced to $689,582 annually as a result of the closure of the Des Plaines Oasis fuel facility.

In connection with widening and reconstruction work on the Central Tri-State, as part of the Move Illinois Program, on June 28, 2018, the Tollway's Board of Directors approved an agreement to terminate the portions of the Oasis facilities lease specifically applicable to the O'Hare Oasis pavilion. The Tollway assumed possession of this Oasis facility for demolition purposes on September 14, 2018 after, in accordance with the terms of the lease, negotiating compensation to SFI, consisting of $8.7 million from the Authority and $500,000 from a reserve account. As a result of this limited lease termination, effective September 14, 2018, the annual Guaranteed Rent paid by SFI to the Tollway for the remaining five Oasis pavilions was reduced from $728,571 to $607,143 (the pro-rated amount for 2018 was $688,095). This lease termination with SFI related to the O'Hare Oasis pavilion did not result in the removal of the 7-Eleven fuel station and associated retail convenience store (*i.e*., the O'Hare Oasis fuel facility) and did not affect the lease payments to the Authority therefor.

Toll Collections

At present, the Authority utilizes a combination of a barrier system, an open road tolling ("**ORT**") system and all-electronic tolling ("**AET**") facilities for toll collection along its 294 miles of limited access roadway. The system consists of 28 mainline and 59 ramp toll plazas. Twenty-two mainline plazas and two of the ramp plazas have attendants for motorists requiring change or receipts. Six mainline plazas are AET facilities that require either transponder or license plate information for payments. Fifty ramp plazas are unattended and automated and accept payment only in coins, currency or credit cards, or through electronic toll collection as described below. Seven ramp plazas are AET facilities. Two ramp plazas include a combination of: (a) an entrance and exit that accepts coins, currency, credit cards and electronic payments; and (b) an entrance and/or exit that is an AET. Two additional ramp plazas, both AET, are expected to be opened by January 1, 2020.

In addition to manned toll booths and automatic toll equipment, the Authority operates an electronic toll collection system under the "I-PASS" service mark. I-PASS enables customers to pre-pay their tolls through an I-PASS account and have an electronic debit from their I-PASS account each time they go through a collection lane. The I-PASS customer's account is typically set up to replenish itself in a pre-determined amount from a credit card on file once it reaches a minimum balance. All toll collection lanes have I-PASS. In addition, special lanes dedicated to I-PASS users only are located throughout the Tollway System. The Authority currently operates 113 I-PASS open road tolling lanes and 82 AET lanes, which allows cars and trucks to travel through at the posted speed limit and 133 dedicated I-PASS only lanes that allow vehicles to pass through toll plazas at reduced speeds (5-30 mph). Currently, there are approximately 7.2 million I-PASS transponders outstanding, and approximately 90% percent of toll transactions are electronic-based.

For a customer who travels through an electronic toll collection lane in a vehicle without a working transponder but with a license plate that a camera image review shows as registered to an active I-PASS account, the Authority debits such account at the applicable electronic toll rate via a process called "video-tolling" or "v-tolling." Effective February 1, 2018, the Authority revised its video-tolling charges for passenger cars as follows: for any license plate with v-toll transactions within a given month, the electronic toll rate is applied to the first five video tolls and the cash toll rate is applied to any subsequent video tolls. The cash toll rate is typically double the electronic toll rate, as described in further detail in the following subsection **"Toll Rates"**.

The administration of revised video-tolling charges for passenger cars was reviewed and approved by the Joint Committee on Administrative Rules ("**JCAR**"). JCAR is a bipartisan legislative oversight committee created by the Illinois General Assembly in 1977. Pursuant to the Illinois Administrative Procedure Act, JCAR is authorized to conduct systematic reviews of administrative rules promulgated by State agencies.

The I-PASS system is designed to alleviate congestion and reduce travel times. I-PASS open road tolling lanes can process more than 2,000 vehicles per hour, compared to manual lanes at 350 vehicles per hour. As part of the Authority's Congestion-Relief Program (described under "**THE CAPITAL PROGRAMS – The Congestion Relief Program**"), during 2005 and 2006, the Tollway System was fully converted to an open road tolling system for I-PASS users.

In September 2005, the Authority became a member of the E-ZPass Interagency Group ("**IAG**"). As a result, motorists in states that have E-ZPass transponders are able to electronically pay tolls on the Tollway System and motorists with I-PASS transponders are able to electronically pay tolls on highways and bridges that are part of the E-ZPass system. E-ZPass is currently in use on toll facilities in the following sixteen states: Delaware, Florida (Central Florida Expressway), Indiana, Kentucky, Maine, Maryland, Massachusetts, North Carolina, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Virginia and West Virginia. In addition, I-PASS transponders are accepted on the Chicago Skyway toll bridge, which is part of the E-ZPass system.

To incentivize drivers to pay the tolls they incur, the Authority has implemented various technologies to improve enforcement. The Authority maintains an extensive violation enforcement system ("**VES**") which has resulted in revenue totaling approximately $319 million from 2014 through 2018 (see "**TABLE FIVE – SUMMARY OF OPERATING REVENUES, MAINTENANCE AND OPERATING EXPENSES, NET OPERATING REVENUES AND DEBT SERVICE COVERAGE FOR THE YEARS ENDED DECEMBER 31, 2014 – DECEMBER 31, 2018**" and "**FINANCIAL INFORMATION – Financial Information Discussion – *Toll Revenue Collection***"). VES employs in-lane technology which interfaces with the toll payment medium, either currency or electronically based, to determine whether the proper toll was paid with respect to the detected vehicle. If the proper toll was not paid, a camera system records multiple digital photos of the vehicle plate. The plate information is then cross-checked against the Illinois Secretary of State or appropriate out-of-state department of motor vehicles databases to identify the alleged violator. Non-gated toll lanes are fitted with VES cameras.

The Authority has statutory authority to fix, assess and collect civil fines against toll violators and to establish by rule a system of civil administrative adjudication to adjudicate alleged instances of toll violations, as detected by the Authority's violation enforcement system. The Authority has established fines for toll violations and an administrative adjudication process for adjudicating disputes relating to alleged toll violations. Under current practice, if there are three or more unpaid tolls within a one-year period, the Authority issues a Notice of Violation for all such unpaid tolls within 90 days of the third or greater unpaid toll. The alleged violator can schedule an administrative hearing to challenge one or more violations. If the hearing officer, or the Circuit Court on administrative review, finds that a toll violation or violations has occurred, or a judgment by default is entered, the amount of the unpaid toll plus a $20 ($10 on Illinois Route 390) fine per violation is levied on the registered owner of the vehicle involved in the violation(s). Violators who do not pay the unpaid tolls and the $20 fines per violation are subject to having their fines increased by $50 to $70 ($25 to $35 total on Illinois Route 390) per violation. The Authority has the ability to refer Illinois violators who fail to pay their unpaid tolls and fines to the Office of the Secretary of State, which may revoke the violator's license plate registration and driving privileges; the Authority has not exercised this ability in recent years but has the ability to do so in the future.

Currently, the Tollway is researching potential actions by which it could increase payment options for customers and modify fines and/or fees related to missed tolls to improve recovery rates from those who fail to pay their tolls. Change(s) resulting from such review may impact revenue and operating cost but are not anticipated to result in a material impact on net revenue (revenue less operating cost).

The outside vendors responsible for most of the Authority's functions and services relating to electronic toll collection are Electronic Transaction Consultants Corp. ("**ETCC**") and Accenture, LLP ("**Accenture**").

Among other things, ETCC is responsible for maintenance of roadway vehicle identification and classification technology; recording, storing and auditing toll transactions; electronic collection of toll revenue; and the roadway violation enforcement system. ETCC's contract with the Authority began June 29, 2005, with a five-year initial term, followed by extensions of the contract through December 31, 2016, and subsequent annual contracts through December 31, 2019 for continual support of the traffic and revenue applications (the "**Host System**"). In January 2019, the Authority entered into a new Toll Collection System ("**TCS**") maintenance contract with ETCC for a five-year term ending December 31, 2024, with option(s) to renew for up to an additional five years. The TCS contract provides maintenance support and monitoring of roadside toll collection technologies.

Accenture is responsible for a suite of back office applications for managing I-PASS accounts, issuing and processing violation notices, interfacing with the E-Z Pass System and integrating with the roadway violations enforcement and toll collection technology. The Accenture tolling solution provides customer service and billing capabilities and system monitoring and financial reporting functionalities. The Accenture back office system was implemented in September 2016. Accenture's initial contract with the Authority began in October 2013. Accenture's current contract with the Authority expires September 26, 2020.

Toll Rates

The Authority's first major toll adjustment increased toll rates in 1963. An adjustment in August 1970 decreased toll rates and an adjustment in September 1983 increased toll rates. In connection with a major increase in commercial vehicle toll rates and cash-based passenger car toll rates in January 2005, the Authority simplified its rate structure for use of the Tollway System, reducing the defined classes of vehicles from ten to the four utilized today. Class 1 is a passenger car class, and the other three classes are for commercial vehicles and consist of small, medium and large truck classes, generally classified by number of axles.

A major increase in toll rates, approved by the Authority's Board in August 2011 in conjunction with the authorization of the Move Illinois Program:

- increased passenger car toll rates by approximately 87% effective on January 1, 2012;

- authorized per-mile toll rates for the Elgin-O'Hare Western Access Project's Illinois Route 390 (tolling implemented in July 2016 and November 2017) and to-be constructed I-490; and
- affirmed a commercial vehicle toll rate increase initially approved in November 2008, which: (a) increased most commercial vehicle toll rates by approximately 60%, of which approximately two-thirds of such increase became effective on January 1, 2015, approximately one-sixth of such increase became effective on January 1, 2016 and approximately one-sixth of such increase became effective on January 1, 2017; and (b) made commercial vehicle toll rates subject to an annual adjustment based on the Consumer Price Index for All Urban Consumers ("**CPI-U**")effective on January 1, 2018 and every January 1st thereafter. The first such annual adjustment, effective January 1, 2018, increased commercial vehicle toll rates based on a CPI-U increase of 1.839%. The next annual adjustment, effective January 1, 2019, increased commercial vehicle toll rates based on a CPI-U increase of 2.254%. The next annual adjustment, to be effective January 1, 2020, will increase commercial vehicle toll rates based on a CPI-U increase of 2.072%.

When the Authority calculates new toll rates for a given year, such toll rates are implemented after rounding to the nearest nickel. For any new toll rates calculated based on the prior year's toll rates, such calculations are made based on the prior year's pre-rounded toll rates.

The Authority currently charges discounted rates for commercial vehicles during certain times and for passenger cars that utilize I-PASS instead of cash. Lower rates are charged for commercial vehicles using the Tollway System during overnight hours (10:00 p.m. – 6:00 a.m.) in order to help with congestion and expedite travel times. The daytime rates for the three commercial vehicle classes of large (Tier 4), medium (Tier 3) and small (Tier 2) are $6.65, $3.75 and $2.50, respectively, at typical mainline plazas. The corresponding overnight (10:00 p.m. – 6:00 a.m.) rates are discounted to $5.00, $2.90 and $1.65. In addition to overnight discounting for commercial vehicles, the Authority discounts toll rates for passenger cars that are I-PASS users paying electronically by 50% compared to passenger car users paying with cash. At a typical Tollway mainline plaza, passenger car I-PASS users pay $0.75, compared to $1.50 for passenger car users paying with cash. The Tollway currently does not collect tolls from specific and limited public transportation entities, which results in de minimis foregone revenue.

Table One sets forth the toll rates paid by various classes of motor vehicles at a typical mainline toll plaza for the periods shown.

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TABLE ONE

ILLINOIS TOLLWAY
TOLL RATES BY VEHICLE CLASS

PASSENGER VEHICLES:

1959 – Current		1959 - 2004	2005 – 2011[1][2]		2012 – 2020[1][2]	
Class	Description	Toll range	Transponder	Cash	Transponder	Cash
1	Automobile/SUV, motorcycle, taxi, single unit truck or tractor, two axles, four or less tires	$0.30 – $0.40	$0.40	$0.80	$0.75	$1.50

COMMERCIAL VEHICLES:

1959 – 2004		
Class	Description	Toll range
2	Single unit truck or tractor, bus, two axles, six tires	$0.30 – $0.50
3	Three axle trucks and buses	$0.45 – $0.75
4	Four axle trucks	$0.50 – $1.00
7	Class 1 vehicle w/one axle trailer	$0.45 – $0.60
8	Class 1 vehicle w/two axle trailer	$0.50 – $0.80
5	Five axle trucks	$0.50 – $1.25
6	Six axle trucks	$0.50 – $1.50
9, 10	Miscellaneous, special, or unusual vehicles not classified above	$0.50 – $1.75

2005 – Current:		2005 – 2011[1][3]		2012 – 2014[1][3]		2015[1][3]		2016[1][3]		2017[1][3]		2018[1][3][4]		2019[1][3][4]		2020[1][3][4]	
Class	Description	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am
2	Single unit truck or tractor, bus, two axles, six tires	$1.50	$1.00	$1.50	$1.00	$2.10	$1.40	$2.25	$1.50	$2.40	$1.60	$2.45	$1.65	$2.50	$1.65	$2.55	$1.70
3	Three and four axle trucks, three axle buses, and Class 1 vehicles with one and two axle trailers	$2.25	$1.75	$2.25	$1.75	$3.15	$2.45	$3.40	$2.65	$3.60	$2.80	$3.65	$2.85	$3.75	$2.90	$3.85	$3.00
4	Five and six axle trucks and miscellaneous, special, or unusual vehicles not classified above	$4.00	$3.00	$4.00	$3.00	$5.60	$4.20	$6.00	$4.50	$6.40	$4.80	$6.50	$4.90	$6.65	$5.00	$6.80	$5.10

(1) The toll rates listed above are rates for 11 of the 28 mainline plazas on the Tollway System. Toll rates at the other 17 mainline plazas differ by various amounts. Toll rates on IL Route 390 (began tolling in 2016 / 2017) and the South Extension of I-355 (where tolling began in 2007) are significantly higher on a per-mile basis than toll rates on the rest of the Tollway System. A complete listing of toll rates at each plaza may be found on the Authority's website. No other information from the Authority's website is incorporated by reference into this Official Statement.

(2) Class 1 vehicles making payment via transponders (I-PASS, E-Z Pass, etc.) are tolled at a discounted rate, and a non-discounted rate applies to cash forms of payment.

(3) Commercial vehicles (Classes 2-4) are tolled at a discounted rate during the overnight period of 10 p.m. – 6 a.m. whether paying by I-PASS or cash (the "**Overnight Discount Rate**"). Prior to January 1, 2009, commercial vehicles paying by I-PASS were tolled at the discounted rate for certain off-peak time periods (the "**I-PASS Off-Peak Discount Rate**"). This I-PASS Off-Peak Discount Rate expired on 12/31/2008. The Overnight Discount Rate continues.

(4) Beginning January 1, 2018, and each January 1 thereafter, commercial vehicle toll rates adjust at approximately the rate of change of the CPI-U. The adjustments effective 1/1/2018, 1/1/2019, and 1/1/2020 are based on CPI-U increases of 1.839%, 2.254%, and 2.072%, respectively.

Under the Act, the Authority has the exclusive right to fix, adjust, revise and collect tolls for the use of the Tollway System. Such tolls are required to be fixed and adjusted at the lowest reasonable toll rates calculated to provide funds that will be sufficient, together with other revenues of the Authority, to pay the costs of any authorized new construction or reconstruction, operating, repairing, regulating and maintaining the Tollway System and paying debt service on Outstanding Bonds. The Authority may increase tolls by vote of a majority of its Board of Directors, after conducting a public hearing in each county in which the proposed increase is to take place. No other State executive, administrative or regulatory body or regional or local governmental or regulatory body has the authority to limit or restrict such rates and charges.

Historical Toll Transactions and Toll Revenues

Table Two sets forth annual toll transactions for passenger and commercial vehicles for selected years since 1964.

TABLE TWO

ANNUAL TOLL TRANSACTIONS – PASSENGER AND COMMERCIAL VEHICLES(1)
1964-2018 (SELECTED YEARS)
(TRANSACTIONS IN THOUSANDS)

Year	Passenger	Commercial	Total	% Passenger
1964	72,721	7,005	79,726	91.21
1969	146,476	14,488	160,964	91.00
1974	204,360	28,446	232,806	87.78
1979	268,051	42,606	310,657	86.29
1984	308,104	42,890	350,994	87.78
1989	428,745	57,193	485,938	88.23
1994	565,601	66,693	632,294	89.45
1999	648,269	71,835	720,104	90.02
2004 (1)	714,120	109,025	823,145	86.76
2005 (1)	695,378	85,068	780,446	89.10
2006 (1)	678,535	85,590	764,125	88.80
2007	696,055	92,237	788,292	88.30
2008	688,516	89,366	777,882	88.51
2009	694,837	80,516	775,353	89.62
2010	730,797	86,286	817,083	89.44
2011	743,195	89,633	832,828	89.24
2012	711,680	92,100	803,780	88.54
2013	720,513	95,528	816,042	88.29
2014	737,238	101,041	838,279	87.95
2015	777,719	103,896	881,615	88.22
2016 (2)	823,643	108,248	931,891	88.38
2017 (2)	883,468	113,866	997,334	88.58
2018	889,184	119,768	1,008,952	88.13

Source: Authority's Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

(1) In 2003, a new Integrated Toll Collection System was completed, classifying vehicles by axle counts in relation to the toll paid by each vehicle. In 2004, commercial vehicle counts were inflated by the new classification system due to passenger vehicle overpayments at ramp plazas. After the commercial vehicle toll increase in January 2005, the classification system has more accurately recorded passenger and commercial vehicle counts for 2005 and beyond. The Authority estimates about 50% of the decline in commercial vehicle transactions between 2004 and 2005 can be attributed to over count of commercial vehicles and corresponding under count of passenger vehicles in 2004. In 2006, the Authority permanently converted from bidirectional to one-way tolling at the Belvidere and Marengo Mainline Toll Plazas on the Jane Addams Memorial Tollway in conjunction with a doubling of fares at those plazas. Due to this reconfiguration, total transactions were reduced by 14.6 million in 2006 with no localized revenue impact.

(2) Illinois Route 390 tolling began in July 2016 (6.5 miles) and November 2017 (3.5 miles).

Table Three sets forth annual toll revenues generated by passenger and commercial vehicles for selected years since 1964.

TABLE THREE

ANNUAL TOLL REVENUES – PASSENGER AND COMMERCIAL VEHICLES[1]
1964-2018 (SELECTED YEARS)
(DOLLARS IN THOUSANDS)

Year	Passenger	Commercial	Total	% Passenger
1964	$ 26,284	$ 4,888	$ 31,172	84.32
1969	46,872	8,803	55,675	84.19
1974	55,419	14,891	70,310	78.82
1979	73,048	24,068	97,116	75.22
1984	114,233	43,094	157,327	72.61
1989	155,394	57,387	212,781	73.03
1994	215,221	66,922	282,143	76.28
1999	259,448	73,178	332,626	78.00
2004	287,218	104,368	391,586	73.35
2005[2]	341,352	239,090	580,442	58.81
2006	324,556	242,944	567,500	57.19
2007	321,008	251,085	572,093	56.11
2008	335,653	247,994	583,647	57.51
2009	334,520	257,544	592,063	56.50
2010	348,946	279,808	628,754	55.50
2011	354,186	298,488	652,674	54.27
2012[2]	615,957	306,433	922,390	66.78
2013	622,349	320,803	943,152	65.99
2014	630,556	338,416	968,972	65.07
2015[2]	662,720	483,910	1,146,629	57.80
2016	686,846	529,452	1,216,298	56.47
2017	724,905	584,285	1,309,190	55.37
2018	719,165	621,886	1,341,051	53.63

Source: Authority's Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

(1) Annual toll revenues in this chart are booked toll revenues, which do not include tolls recovered through the evasion recovery process. See the footnote to Table Two regarding impact on 2004 vehicle classification resulting from completion in 2003 of a new Integrated Toll Collection System.

(2) Due to significant changes to rate structures implemented in 2005, 2012 and 2015, the percentage of revenues from passenger vehicles decreased significantly in 2005, increased significantly in 2012 and decreased significantly in 2015.

Historical Net Operating Revenues

Table Four sets forth operating revenues, maintenance and operating expenses and net operating revenues, for selected years since 1964.

TABLE FOUR

OPERATING REVENUES, MAINTENANCE AND OPERATING EXPENSES, AND NET OPERATING REVENUES (1) (2)
1964-2018 (SELECTED YEARS)
(DOLLARS IN THOUSANDS)

Year	Operating Revenues	Maintenance and Operating Expenses	Net Operating Revenues
1964	$ 32,135	$ 6,832	$ 25,303
1969	57,395	13,015	44,380
1974	72,737	23,715	49,022
1979	100,436	39,733	60,703
1984	162,108	56,639	105,469
1989	254,734	85,065	169,669
1994	309,949	116,996	192,953
1999	366,092	146,881	219,211
2004	423,427	198,302	225,125
2005	613,034	205,575	407,459
2006	606,954	213,510	393,444
2007	637,794	222,295	415,499
2008	691,113	244,275	446,838
2009	658,052	255,185	402,867
2010	672,760	250,857	421,903
2011	697,416	245,975	451,441
2012	963,755	253,058	710,697
2013	1,009,776	277,512	732,263
2014	1,036,156	297,821	738,335
2015	1,220,463	298,479	921,984
2016	1,298,800	309,239	989,561[3]
2017	1,401,818	319,538	1,082,279[3]
2018	1,458,141	336,361	1,121,780[3]

Source: Authority's Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

(1) Determined in accordance with the Series 1955 Bond Resolution through December 26, 1985 and in accordance with the Indenture on a Trust Indenture Basis (as defined in this Official Statement) subsequent to December 26, 1985. See "**FINANCIAL INFORMATION – Financial Information Discussion** – *GAAP Basis and Trust Indenture Basis*." See Table Five for items included in Operating Revenues and Maintenance and Operating Expenses.

(2) Totals may not add due to rounding.

(3) For a discussion of changes from 2016 to 2017 and 2017 to 2018, see "**FINANCIAL INFORMATION – Financial Information Discussion**."

Table Five presents, for 2014 through 2018, a more detailed review of operating revenues, maintenance and operating expenses, net operating revenues and debt service coverage. Projected net operating revenues and debt service coverage for 2019 through 2031 are set forth as part of Table Seven.

TABLE FIVE

SUMMARY OF OPERATING REVENUES, MAINTENANCE AND OPERATING EXPENSES, NET OPERATING REVENUES AND DEBT SERVICE COVERAGE FOR THE YEARS ENDED DECEMBER 31, 2014 – DECEMBER 31, 2018[(1)(2)]
(DOLLARS IN THOUSANDS)

	2014	2015	2016	2017	2018
Revenues:					
Toll Revenue	$968,972	$1,146,629	$1,216,298	$1,309,190	$1,341,051
Toll Evasion Recovery[(3)]	53,769	64,323	64,491	65,640	70,469
Concession/Miscellaneous	12,373	7,664	11,481	13,041	12,232
Investment Income	1,041	1,846	6,530	13,947	34,389
Total Operating Revenue	$1,036,156	$1,220,463	$1,298,800	$1,401,818	$1,458,141
Maintenance and Operating Expenses:					
General Administration	$ 24,192	$ 23,851	$ 25,732	$32,077	$47,341
Engineering & Maintenance	47,614	55,477	53,650	74,055	78,404
Toll Services	107,326	101,415	109,854	140,217	141,981
Police, Safety and Communication	27,606	24,958	27,256	37,908	40,762
Insurance and Employee Benefits[(4)]	91,082	92,778	92,748	35,282	27,873
Total Expenses	$297,821	$298,479	$309,239	$319,538	$336,361
Net Operating Revenues	$738,335	$921,984	$989,561	$1,082,279	$1,121,780
Total Debt Service[(5)]	$308,443	$358,846	$387,933	$398,411	$424,244
Net Revenues After Debt Service[(5)]	$429,892	$563,139	$601,628	$638,868	$697,536
Debt Service Coverage[(5)]	2.39	2.57	2.55	2.72	2.64

Source: Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

(1) Determined in accordance with accounting principles set forth in the Indenture and may differ from financial statements prepared in accordance with generally accepted accounting principles. Maintenance and Operating Expenses exclude depreciation and amortization. See "**FINANCIAL INFORMATION – Financial Information Discussion** – *GAAP Basis and Trust Indenture Basis*."

(2) Totals may not add due to rounding.

(3) The Authority recognizes fines as revenues when collected.

(4) In years 2014–2016, the line-item "Insurance and Employee Benefits" includes expenses for the employer portions of retirement and FICA, workers compensation and medical insurance, whereas in years 2017 – 2018 that line-item includes expenses only for workers compensation and medical insurance. In years 2017–2018, the expenses for the employer portions of retirement and FICA were allocated among the four department-based groupings listed in the chart above under Maintenance and Operating Expenses.

(5) Debt service does not net out Subsidy Payments received by the Authority in connection with the 2009A Bonds and 2009B Bonds issued as Build America Bonds.

Historically, Net Revenues after Debt Service have been used primarily to fund deposits to the Renewal and Replacement Account and the Improvement Account in amounts budgeted by the Authority. The Authority anticipates that Net Revenues after Debt Service will continue to be so applied.

THE CAPITAL PROGRAMS

The Authority currently has one capital program materially in process: the Move Illinois Program scheduled for the period 2012-2026. The Authority's prior capital program, the Congestion-Relief Program, is complete. In accordance with the Indenture, a resolution adopted by the Authority on December 21, 2017, supported by a certificate of the Consulting Engineers, determined the substantial completion of the Congestion-Relief Program.

The Move Illinois Program

The Move Illinois Program is the Authority's capital program for 2012-2026. It is a comprehensive capital program that commits approximately $14.3 billion in transportation funding to complete the rebuilding of the Tollway System, improve mobility, relieve congestion, reduce pollution and link economies across northern Illinois. The Move Illinois Program is expected to be funded in part from the issuance of approximately $5.5 billion of Bonds (of which $3.1 billion will have been issued upon the issuance of the 2019B Bonds), with the remainder coming from Revenues. See "**PLAN OF FINANCE**" for anticipated timing of issuance of the Additional Bonds. The Authority approved the Move Illinois Program on August 25, 2011 in the amount of $12.15 billion. By resolution adopted on April 27, 2017, the Board of Directors of the Authority approved certain enhancements to the Move Illinois Program, increasing its total estimated cost to $14.27 billion. In connection with the initial approval of the Move Illinois Program, the Authority approved an approximately 87% increase in passenger vehicle toll rates effective January 1, 2012. The Authority also affirmed a previously approved increase in commercial vehicle toll rates. The commercial vehicle toll rate increase consisted of an approximately 60% increase that was phased in between January 1, 2015 and January 1, 2017 and an annual adjustment applied beginning January 1, 2018 based on the CPI-U. The Authority also established per-mile toll rate authorizations for the Elgin-O'Hare Western Access Project (Illinois Route 390 and the future I-490). Tolling was implemented on Illinois Route 390 in July 2016 and November 2017. See "**THE TOLLWAY SYSTEM – Toll Rates**."

The basis for the Move Illinois Program was a capital needs analysis performed by Tollway staff and consultants that included a comprehensive assessment of the current and future physical and operational characteristics of the entire Tollway System. Previous long-range plans were reevaluated, the needs of communities and stakeholders were catalogued and new technology and transit opportunities were explored. This evaluation became the foundation of the Move Illinois Program, which will provide additional capacity, relieve congestion and maintain the region's competitiveness with other major cities in the United States and around the world.

The Move Illinois Program includes approximately $10 billion to fund improvements to the existing Tollway System necessary to keep it in a state of good repair. Such projects include:

- Reconstructing and widening the Jane Addams Memorial Tollway (I-90) from the Tri-State Tollway (I-294) near O'Hare International Airport to the I-39 interchange in Rockford (completed)
- Reconstructing and widening the central Tri-State Tollway (I-294) from 95th Street to Balmoral Avenue and the Edens Spur (I-94).
- Preserving the Ronald Reagan Memorial Tollway (I-88)
- Preserving the Veterans Memorial Tollway (I-355)
- Repairing roads, bridges, and maintenance facilities

The Move Illinois Program commits an additional approximately $4 billion to new priority projects that focus on enhancing regional mobility including:

- Constructing new interchanges for I-294 at the I-57 and 147th Street ramps
- Rehabilitation and widening of the portion of Illinois Route 390 formerly known as the Elgin-O'Hare Expressway and construction of an approximately four-mile eastward extension of Illinois Route 390 (substantially complete); and completion of a north-south connection along the boundary of O'Hare International Airport linking the eastern terminus of Illinois Route 390 to I-90 at Elmhurst Road to the north and I-294 near North Avenue to the south, which such north-south connections are currently expected to be designated as U.S. Interstate Highway 490 (the "**Elgin-O'Hare Western Access Project**")

- Implementing features to accommodate transit and provide increased flexibility for passenger vehicles on the Jane Addams Memorial Tollway (I-90)
- Planning for other projects

The Move Illinois Program also includes environmental initiatives such as wetland and endangered species mitigation, fuel consumption reduction, "green" construction materials and practices and introduction of new intelligent transportation systems. The Authority may accelerate certain projects, including the reconstruction and widening of the central portion of the Tri-State Tollway, within existing project budgets, in order to reduce construction impact on commuters.

As described later in "**THE CAPITAL PROGRAMS – Potential Additional Capital Projects – *Statutory Approvals for New Toll Highways***," certain approvals of the Governor and the General Assembly are required by the Act in connection with the Authority's issuance of bonds to finance costs related to new toll highways, including a requirement that prior to the issuance of bonds for the commencement of construction of any new toll highway, that particular toll highway shall be authorized by a joint resolution of the Illinois General Assembly. The Authority held multiple public hearings relating to the Move Illinois Program. The Authority presented preliminary plans and preliminary cost estimates to the Governor, which plans and estimates were approved by the Governor on October 7, 2011. On May 23, 2013, the Illinois Senate approved a House Joint Resolution HJR0009 adopted by the Illinois House on May 1, 2013, authorizing the Authority to expand the Tollway System through the construction of the Elgin-O'Hare Western Access Project.

For additional information about the Move Illinois Program, please see **APPENDIX B – "CONSULTING ENGINEERS' REPORT**."

The Congestion-Relief Program

On September 30, 2004, the Authority approved a ten-year, $5.3 billion, capital improvement plan known as the Congestion-Relief Plan: Open Roads for a Faster Future, which upon implementation was designated the Congestion-Relief Program (the "**CRP**"), and in connection therewith, the Authority approved an adjustment in toll rates. See "**THE TOLLWAY SYSTEM – Toll Rates**" above. Pursuant to a review of the CRP during 2007, the budget for the CRP was increased to $6.3 billion and the schedule lengthened by two years from 2014 to 2016. The Authority approved the revised CRP at its September 7, 2007 Board meeting. Subsequent progress of the CRP allowed management to reduce the total cost of the CRP to $5.7 billion.

The goals of the CRP, set forth below, have been realized:

- Provide congestion relief by converting the entire mainline system to open road tolling;
- Widen a significant portion of the roadway network;
- Rebuild or rehabilitate most of the existing pavement;
- Extend I-355 south from I-55 to I-80; and
- Upgrade or add interchanges system-wide to meet the needs of growing communities.

Proceeds of the 2005 Bonds, the 2006 Bonds, the 2007A Bonds, the 2008B Bonds, the 2009A Bonds and the 2009B Bonds were used to fund approximately $3.5 billion of the costs of the capital projects in the CRP. The CRP is complete.

Potential Additional Capital Projects

<u>Statutory Approvals for New Toll Highways</u>. The Authority has broad powers under the Act, including the power to conduct engineering or traffic studies relative to the potential need to expand and/or improve transportation services. However, in connection with the Authority's issuance of bonds to finance costs related to new toll highways, the Act provides for certain prior approvals by the Governor and the Illinois General Assembly. Prior to commencing any engineering or traffic studies specifically intended to determine the feasibility of constructing additional toll highways in the State, the Authority must submit the proposed route, together with an estimate of the cost of the proposed study or studies, to the Governor for his approval. If the Governor approves such studies, or fails to disapprove such studies and estimated cost within 30 days after receipt, the Authority is permitted, but is not required, to proceed with such studies. Prior to the issuance of bonds for new toll highways other than refunding bonds, the

Authority must first hold a public hearing relating to the proposed toll highway and then deliver to the Governor preliminary plans showing the proposed location of the route of the particular toll highway for which the bonds are to be issued, together with a preliminary estimate of the costs of construction. If the Governor approves the preliminary plans and the estimated construction costs, the Authority may, but is not required to, proceed with the issuance of bonds. In addition, the Act provides that prior to the issuance of bonds for or the commencement of construction of any new toll highway, that particular toll highway shall be authorized by a joint resolution of the Illinois General Assembly.

Potential System Expansion. The Illinois General Assembly has passed joint resolutions authorizing, but not requiring, the Authority to construct three new toll highways described in the following table that would add approximately 69 miles to the Tollway System.

Year of Joint Resolution	Potential Toll Highway	Additional Miles
1993	Southward extension of the Veterans Memorial Tollway from U.S. Interstate Highway 80 to U.S. Interstate Highway 57 near Peotone.	20
1993	North Extension extending Illinois Route 53 from Lake-Cook Road to the Tri-State Tollway.	23
1993	Richmond Waukegan Toll Highway extending from Illinois Route 120 west to Richmond, Illinois at approximately Illinois Route 173.	26

Pursuant to a Resolution passed on December 20, 2007, the Authority identified several projects in Northeastern Illinois not currently part of the Tollway System, known as the Illiana Expressway, the Crosstown Expressway, the Prairie Parkway, completion of the Elgin-O'Hare Western Access Project and improvement of the Eisenhower Expressway, as additional potential future projects to be studied by Authority management. Except with respect to the Elgin-O'Hare Western Access Project, which is part of the Move Illinois Program, the Authority has not completed feasibility studies, held the public hearings required by the Act, or requested the Governor's approval of preliminary plans or estimates of construction costs for any of the potential toll highways or projects described above.

Before commencing construction on any new toll highway, the Authority must comply with all applicable legal requirements under the Act. In the future the Authority may embark on other system expansion and improvement projects, depending upon factors such as the availability of funding for highway projects in the region, changes in traffic congestion patterns and agreements with other public entities in the region.

Condition and Maintenance

Providing Tollway patrons with a well-maintained highway is a task assigned to the Authority's maintenance crews. Personnel assigned to the eleven maintenance buildings, spaced at approximately 25-30 mile intervals along the road, are responsible for maintaining the Tollway System by keeping roads clean and safe in all weather conditions, particularly in winter when they clear the roadway of snow and ice.

In connection with properly maintaining the condition of the Tollway System, and in accordance with the Indenture's requirement that the Authority employ a consulting engineer of nationwide and favorable reputation (the "**Consulting Engineers**") while any Bonds issued under the Indenture remain outstanding, including the 2019B Bonds, the Authority has employed, beginning in 2018, WSP USA Inc., Chicago, Illinois ("**WSP**"), as the Consulting Engineers. For fifty-eight years, Consulting Engineers have performed an annual inspection of the Tollway's roadway and facilities and produced a report of this inspection. The most recent report, for the year 2018, is dated March 8, 2019 (the "**Consulting Engineers' 2018 Annual Report**") and includes assessments of: roadway pavement, which includes a visual inspection, structural evaluation and pavement surface evaluations; roadway appurtenances (i.e., drainage structures, embankments, ditches, guardrail and median barriers, mile markers, pavement markers and right-of-way fencing); structures (i.e., bridges, large culverts, retaining walls, noise abatement walls and sign structures); and buildings and facilities (i.e., maintenance facility sites (garages, offices, salt domes, gas pumping facilities, storage buildings and similar sites), toll plazas, telecommunication buildings, and Oasis facilities). The Consulting Engineers' 2018 Annual Report is available on the Authority's website, provided, however, such website is not incorporated by reference into this Official Statement.

According to the Consulting Engineers' 2018 Annual Report, although the original system continues to be well-maintained, design life expectancies of some infrastructure elements are reaching the end of predictable usefulness due to the effects of age and increasing traffic. Prior to the current capital programs, the Authority's annual maintenance efforts focused on protecting the integrity of the roadway through projects such as emergency patching and intermittent pavement repairs. The report of the Consulting Engineers attached to this Official Statement (the "**Consulting Engineers' Report**") as **APPENDIX B – "Consulting Engineers' Report"** includes a summary of information in the Consulting Engineers' 2018 Annual Report.

The Authority's Renewal and Replacement program is based upon the recommendations of the Consulting Engineers. See "**Renewal and Replacement Program and Improvement Program**" below.

Renewal and Replacement Program and Improvement Program

The Authority's Renewal and Replacement program consists of projects to maintain the integrity of the existing Tollway System. The Renewal and Replacement program includes the preservation, replacement, repair, renewal and reconstruction or modification of the Tollway System, but does not include System Expansion Projects or other Improvements. The Authority and its Consulting Engineers perform periodic inspections of the Tollway System to determine work necessary to maintain the existing system.

For the period from 2005 through 2018, the Authority credited approximately $3.2 billion to the Renewal and Replacement Account for rehabilitation, repair and replacement projects; such credited amounts are presented in Table Six. Deposits to the Renewal and Replacement Account are made from Net Revenues after deposits are made pursuant to the Indenture into the Maintenance and Operation, Debt Service, Debt Reserve, Junior Bond Debt Service, Junior Bond Debt Reserve and Termination Payment Accounts. See **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds**."

TABLE SIX

RENEWAL AND REPLACEMENT PROGRAM FOR THE YEARS ENDED DECEMBER 31, 2005 THROUGH 2018
RENEWAL AND REPLACEMENT ACCOUNT

Year	Total Funds Credited[1]
2005	$ 204,609,580
2006	186,545,035
2007	198,331,687
2008	1,907,175[2]
2009	161,463,238
2010	206,096,487
2011	174,192,997
2012	300,660,937
2013	200,364,611
2014	200,208,079
2015	240,311,545
2016	300,845,345
2017	423,015,675
2018	425,924,437
	$3,224,476,828

Source: Authority's Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

(1) Includes investment earnings credited to the Renewal and Replacement Account.

(2) The Consulting Engineers deferred their recommended $100 million deposit for 2008 to 2009, based on a projected Renewal and Replacement Account balance of $74 million at the end of 2008, which the Consulting Engineers deemed an adequate reserve for unanticipated maintenance and rehabilitation needs of the Tollway System for 2009. The Authority's deposit of $161,463,238 in 2009 included the amount deferred from 2008 to 2009.

Pursuant to the Indenture, on or before October 31 of each Fiscal Year, the Authority is required to prepare a tentative budget for the ensuing Fiscal Year and to include in such budget the recommendations of the Consulting Engineers as to the Renewal and Replacement Deposit for the ensuing Fiscal Year. In accordance with the Indenture, Renewal and Replacement Expenses anticipated to be funded with proceeds of Bonds are not included in this Renewal and Replacement Deposit recommendation. Based upon the recommendation of the Consulting Engineers included in the Authority's final budget for 2019, the Authority estimates that deposits totaling $420 million will be made in 2019, of which $315 million has been deposited as of the nine months ended September 30, 2019. A portion of Renewal and Replacement Deposits will be used to fund certain costs of the Authority's capital programs. For a current projection of future Renewal and Replacement Deposits, see the Consulting Engineers' Report in **APPENDIX B – "CONSULTING ENGINEERS' REPORT."**

The tentative budget the Authority prepares each year may include the Authority's estimate of the amount, if any, that will be available in the ensuing Fiscal Year for credit to the Improvement Account established under the Indenture, which is used to fund the Authority's Improvement program. The Improvement program includes any System Expansion Project or any acquisition, installation, construction, reconstruction, modification or enhancement of or to any real or personal property (other than Operating Expenses) for which a currently effective resolution of the Authority has been adopted authorizing the deposit of Revenues to the credit of the Improvement Account for such System Expansion Project or acquisition, installation, construction, reconstruction, modification or enhancement including, without limitation, the cost of related feasibility studies, plans, designs or other related expenditures. The Authority has authorized the deposit of Revenues from time to time to the credit of the Improvement Account held under the Indenture for the purpose of funding the cost of each capital improvement that constitutes an "Improvement" under the Indenture. See "**THE CAPITAL PROGRAMS – The Move Illinois Program**" and "**– The Congestion-Relief Program" and APPENDIX D –** "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds – *Improvement Account***."

FINANCIAL INFORMATION

Financial Information Discussion

General

Management of the Authority is responsible for establishing and maintaining an internal financial control structure designed to ensure that (i) the assets of the Authority are protected from loss, theft or misuse, and (ii) adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Authority's internal financial control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from it; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The Authority issues audited financial statements (see **APPENDIX A**) annually, which are prepared in accordance with generally accepted accounting principles for public agencies. The Authority's accounting system is organized and operated on an "enterprise fund basis." The accounting practices of the Authority are more fully described in Note 1 to the audited financial statements. The notes provided in the audited financial statements included in **APPENDIX A** are an integral and essential part of adequate disclosures and fair presentation of the audited financial report. The notes include a summary of significant accounting policies for the Authority and other necessary disclosures of pertinent matters relating to the financial position of the Authority. The notes provide additional informative disclosures not reflected on the face of the financial statements. The audited financial statements should be read only in conjunction with the accompanying notes.

GAAP Basis and Trust Indenture Basis

In order to demonstrate compliance with requirements stated in the Indenture, the Authority prepares separate schedules in conformity with the requirements set forth in the Indenture (the "**Trust Indenture Financials**"). The Trust Indenture Financials are not prepared in accordance with GAAP but rather reflect the requirements of the Indenture (the "**Trust Indenture Basis**"). The Trust Indenture Financials prepared on a Trust Indenture Basis are the source of the financial information included in Table Four, Table Five, Table Seven, the "*Budgetary Controls*" and "*Financial Results – Annual Budget, Trust Indenture Basis*" subsections of this section, and Section 7 of the

Consulting Engineers' Report. A primary difference in the financial information presented on a GAAP basis versus the Trust Indenture Basis is that no depreciation/amortization is included in operating expenses in the Trust Indenture Basis. The Trust Indenture Financials for the years 2018 and 2017 that are included in the Supplementary Information section (pages 72-80) of the audited annual financial statements (see **APPENDIX A**) include additional information on the differences between GAAP basis accounting and the Trust Indenture Basis in Footnote 1 of such Supplementary Information section.

Financial Results – Audited, GAAP Basis – 2018 Compared to 2017

The Authority's total 2018 operating revenues of $1.4 billion exceeded those of the previous year by $37.9 million (2.7%). This increase came from toll revenue that totaled $1.3 billion in 2018 (up $31.9 million (2.4%) from 2017), due to an increase in both commercial and passenger vehicle traffic, an increase in the commercial vehicle toll rates, and a full year of tolling on the extension of the IL-390 Tollway. Revenue from toll evasion recovery was also higher than 2017 by 7.4%, at $70.5 million in 2018 versus $65.6 million in 2017. Miscellaneous income in 2018 was $1.3 million higher than in 2017, due mainly to increased I-PASS transponder replacement revenue due to forfeited deposits on transponders not returned. Concessions revenue remained fairly consistent year over year.

Operating expenses, excluding depreciation, remained consistent from 2017 to 2018. Depreciation and amortization expense increased by 6.7% to $446.2 million, from $418.3 million in 2017. The resulting net operating income for the year, $588.2 million, increased by $10.7 million from the previous year.

Non-operating revenue increased by $11.3 million, due almost entirely to increased investment returns. In 2018 the Authority continued to receive rebates from the federal treasury of portions of interest payments relating to bonds that were issued as Build America Bonds. The 2018 rebate totaled $15.2 million, substantially the same as 2017. Non-operating expenses increased by $24.2 million, due mainly to increased interest and amortization of financing costs. Net non-operating expense increased by 5.8% from $221.5 million in 2017 to $234.4 million in 2018, due to variances noted above.

Financial Results – Audited, GAAP Basis – 2017 Compared to 2016

The Authority's total 2017 operating revenues exceeded those of the previous year, up $95.2 million (7.3%) to $1.4 billion compared to $1.3 billion in 2016. This increase came from toll revenue that totaled $1.3 billion in 2017 (up from $1.2 billion in 2016), due to an increase in both commercial and passenger vehicle traffic, an increase in the commercial vehicle toll rates, and a full year of tolling on the first phase of the IL-390 Tollway. Also, revenue from toll evasion recovery was slightly higher (1.8%), at $65.6 million in 2017 versus $64.5 million in 2016. Miscellaneous income in 2017 was $1.1 million higher than in 2016, due mainly to increased I-PASS transponder replacement revenue resulting from forfeited deposits on transponders not returned. Concessions revenue remained fairly consistent year over year.

Operating expenses, excluding depreciation, increased $9.1 million (2.3%) in 2017. The increased operating costs were due mainly to increased credit card fees and consulting expenses due to implementation of new I-PASS and violation back office systems. Depreciation and amortization expense increased 13.0% to $418.3 million, from $370.3 million in 2016.

Net operating income for the year, $577.5 million, increased $38.1 million from the previous year.

Non-operating revenue increased by $5.4 million, due almost entirely to increased investment returns. In 2017, the Authority continued to receive rebates from the federal treasury of portions of interest payments relating to bonds that were issued as Build America Bonds. The 2017 rebate totaled $15.1 million, substantially the same as 2016. Non-operating expenses increased by $6.7 million, due mainly to increased interest and amortization of financing costs due to additional bond issuance. Net non-operating expense increased slightly, by 0.6%, from $220.1 million in 2016 to $221.5 million in 2017, due to variances noted above.

Annual Budget for 2020 and Projected 2019 Results – Trust Indenture Basis

The Authority is required by the Indenture to prepare a tentative budget of Operating Expenses for the ensuing Fiscal Year on or before October 31 of each Fiscal Year and adopt the annual budget for such Fiscal Year on or before

January 31 of such Fiscal Year. The adopted annual budget does not require the approval of the Illinois General Assembly. For Fiscal Year 2020, the tentative annual budget was presented to the Board of Directors of the Authority on October 17, 2019, and the final budget is expected to be presented in December 2019. The Authority's tentative 2020 budget anticipates $1.535 billion in revenues and presents an overall spending plan that includes $380 million of operating expenses, $458 million of debt service and $1.461 billion of capital spending, portions of which will be funded by bond proceeds and amounts available in the Renewal and Replacement Account and the Improvement Account.

The tentative budget also includes projections for Fiscal Year 2019 of $1.495 billion in revenues, supporting projected spending of $365 million for operating expenses, $458 million for debt service and $1.079 billion in capital spending.

Toll Revenue Collection

The Authority experiences a difference between expected and actual toll revenue collected for a variety of reasons, such as non-payments (including toll evasion and non-payment resulting from improper transponder use), underpayments, insufficient funds in I-PASS accounts, and collection or VES equipment failures. The Authority has implemented systems and procedures to reduce the differences between expected and actual toll revenue and to facilitate recovery of "lost" toll revenue. See "**THE TOLLWAY SYSTEM – Toll Collections**."

Expected revenue represents revenue that would be collected if every vehicle paid the exact published toll based on vehicle class, time of day and payment type. Forecasted toll revenue in the report (the "**Traffic Engineers' Report**") of CDM Smith Inc., Lisle, Illinois (the "**Traffic Engineers**") attached hereto as **APPENDIX C – "Traffic Engineers' Report,"** represents such expected revenue, and, therefore, does not account for (i) overpayments, underpayments, exemptions or revenue lost due to toll avoidance, or (ii) tolls and fines collected through the violation enforcement process. Amounts of revenue reported in the Authority's quarterly statements and annual financial reports reflect these adjustments.

The difference between estimated expected toll revenues and booked toll revenues in 2014 – 2018 ranged from 5.8% – 7.2%, and averaged 6.5%. Toll evasion recovery revenues in the same period averaged 5.0%, of estimated expected toll revenues, resulting in average "net leakage" in 2014 – 2018 of 1.5% of estimated expected revenues.

Outstanding Indebtedness

Set forth below is a summary of the outstanding bonded indebtedness of the Authority, after the issuance of the 2019B Bonds. All of the following are Senior Bonds under the Indenture.

Series	Final Maturity	Principal Outstanding	Type of Issue
2007 Series A-1	7/1/2030	$350,000,000	Variable
2007 Series A-2	7/1/2030	87,500,000	Variable
2008 Series A-1	1/1/2031	189,600,000	Variable
2008 Series A-2	1/1/2031	94,825,000	Variable
2009 Series A	1/1/2034	400,000,000	Fixed
2009 Series B	12/1/2034	280,000,000	Fixed
2013 Series A	1/1/2038	500,000,000	Fixed
2014 Series A	12/1/2022	378,720,000	Fixed
2014 Series B	1/1/2039	500,000,000	Fixed
2014 Series C	1/1/2039	400,000,000	Fixed
2014 Series D	1/1/2025	243,345,000	Fixed
2015 Series A	1/1/2040	400,000,000	Fixed
2015 Series B	1/1/2040	400,000,000	Fixed
2016 Series A	12/1/2032	333,060,000	Fixed
2016 Series B	1/1/2041	300,000,000	Fixed
2017 Series A	1/1/2042	300,000,000	Fixed
2018 Series A	1/1/2031	515,250,000	Fixed
2019 Series A	1/1/2044	300,000,000	Fixed
2019 Series B	1/1/2031	225,245,000	Fixed
	Total Outstanding Bonds	$6,197,545,000	

The 2007A Bonds, 2009A Bonds and 2009B Bonds were issued to finance portions of the Congestion-Relief Program. The 2013A Bonds, 2014B Bonds, 2014C Bonds, 2015A Bonds, 2015B Bonds, 2016B Bonds, 2017A Bonds and 2019A Bonds were issued to finance portions of the Move Illinois Program. The 2008A Bonds and 2014D Bonds were issued to advance refund portions of the Authority's Toll Highway Senior Priority Revenue Bonds, 2006 Series A-1 (the "**2006A-1 Bonds**") and 2006 Series A-2 (together with the 2006A-1 Bonds, the "**2006 Bonds**"). The 2014A Bonds were issued to advance refund a portion of the Authority's Toll Highway Senior Priority Revenue Bonds, 2005 Series A. The 2016A Bonds were issued to advance refund the Toll Highway Senior Priority Revenue Bonds, 2008 Series B (the "**2008B Bonds**"). The 2018A Bonds were issued to refund portions of the 2007A Bonds, 2008A Bonds and 2009A Bonds.

There are floating-to-fixed interest rate Swap Agreements in place relating to each series of the Authority's variable rate bonds. To the extent portions of the 2007A Bonds and 2008A Bonds were refunded, a corresponding amount of swaps were terminated. See "**FINANCIAL INFORMATION– Swap Agreements**" for additional information.

Annual Debt Service Requirements

Set forth below is a schedule of the annual debt service requirements associated with the 2019B Bonds and the other Senior Bonds Outstanding and the combined debt service requirements thereon for the years ending January 1, 2020 through January 1, 2044. The Authority does not have any bonds outstanding other than Senior Bonds.

Year Ending January 1	Debt Service on Senior Bonds Outstanding[(1)(2)(3)(4)]	2019B Bonds Principal	2019B Bonds Interest	Total Debt Service on all Senior Bonds[(1)(2)(3)(4)]
2020	$ 422,806,159		--	$422,806,159
2021	423,499,519		$12,732,599	436,232,118
2022	423,486,601		11,262,250	434,748,851
2023	423,504,377		11,262,250	434,766,627
2024	423,577,574		11,262,250	434,839,824
2025	384,176,283	$ 36,670,000	11,262,250	432,108,533
2026	411,464,046	35,625,000	9,428,750	456,517,796
2027	446,768,784	38,455,000	7,647,500	492,871,284
2028	462,587,653	23,295,000	5,724,750	491,607,403
2029	460,947,061	26,860,000	4,560,000	492,367,061
2030	459,457,988	30,385,000	3,217,000	493,059,988
2031	456,250,599	33,955,000	1,697,750	491,903,349
2032	500,187,050			500,187,050
2033	500,156,797			500,156,797
2034	500,168,004			500,168,004
2035	500,127,800			500,127,800
2036	495,655,000			495,655,000
2037	495,408,750			495,408,750
2038	495,265,000			495,265,000
2039	484,775,000			484,775,000
2040	464,695,000			464,695,000
2041	286,105,000			286,105,000
2042	148,000,000			148,000,000
2043	76,535,000			76,535,000
2044	73,270,000			73,270,000
Total	$10,218,875,045	$225,245,000	$90,057,349	$10,534,177,394

(1) Excludes debt service on the Refunded Bonds, except for the Refunded Bonds' interest paid July 1, 2019. Debt service for the Authority's variable rate bonds (2007A-1, 2007A-2, 2008A-1 and 2008A-2 Bonds) assumes the annual synthetic fixed interest rates based on the associated Swap Agreements entered into in connection with those variable rate bonds, plus, for Series 2008A-1b only, forty-five (45) basis points through February 2, 2020. See "**FINANCIAL INFORMATION – Swap Agreements.**"

(2) The variable rate 2007A Bonds have liquidity and credit support provided through agreements with various providers. The variable rate 2008A-2 Bonds have liquidity support provided through a standby bond purchase agreement and credit support through bond insurance. The 2008A-1b Bonds were directly purchased on February 3, 2017 for a three-year period ending February 3, 2020 at a variable interest rate equal to the Securities Industry and Financial Markets Association (SIFMA) 7-day Municipal Swap Index plus forty-five (45) basis points, subject to the terms of a related bondholder agreement. Debt service included above for the variable rate bonds does not include any liquidity fees, letter of credit fees or remarketing fees. Except for the directly purchased 2008A-1b Bonds, as of the date of this Official Statement, no variable rate bonds were held by their respective liquidity or credit facility providers. See "**FINANCIAL INFORMATION – Liquidity and Credit Facilities**."

(3) Debt service does not net out any Subsidy Payments received or anticipated to be received by the Authority in connection with the 2009A Bonds and 2009B Bonds which were issued as Build America Bonds.

(4) Does not take into account any projected future bond issuance. Rows and columns may not add due to rounding.

Swap Agreements

General

Significant terms of the Authority's existing swap agreements in effect on the date of issuance of the 2019B Bonds (individually "**Swap Agreement**" and collectively, the "**Swap Agreements**") are set forth in the following table. Estimated valuations of the Swap Agreements are shown as of September 30, 2019 and are net of accrued interest. Such valuations are only estimates and may change due to various factors, including changes in interest rates and differences in valuation methods.

Series	Notional Amount (000s)	Effective Date	Fixed Rate(1)	Variable Rate(2)	Termination Date	Counterparty	Estimated Valuation (000s) (as of 9/30/2019)
2007A-1	$ 175,000	11/01/07	3.9720%	SIFMA(3)	07/01/30	Citibank N.A., New York	($38,288)
2007A-1	175,000	11/01/07	3.9720	SIFMA(3)	07/01/30	Goldman Sachs Bank USA(4)	($38,288)
2007A-2d	87,500	11/01/07	3.9925	SIFMA(3)	07/01/30	Wells Fargo Bank, N.A.	($19,283)
2008A-1b	189,600	02/07/08	3.7740	SIFMA(3)	01/01/31	The Bank of New York	($37,435)
2008A-2	94,800	02/07/08	3.7640	SIFMA(3)	01/01/31	Bank of America, N.A.(5)	($18,647)
	$ 721,900						$ (151,941)

(1) Fixed rate paid by the Authority. Fixed rate payments under the Swap Agreements related to the 2007A Bonds are made on a semi-annual basis according to each Swap Agreement. Fixed rate payments under the Swap Agreements related to the 2008A Bonds are made on a monthly basis according to each Swap Agreement.

(2) Variable rate received by the Authority. Variable rate payments under all Swap Agreements are made on a monthly basis according to each Swap Agreement.

(3) Securities Industry and Financial Markets Association (SIFMA) 7-day Municipal Swap Index.

(4) Guaranteed by The Goldman Sachs Group, Inc.

(5) Novation effective October 7, 2011 from Merrill Lynch Capital Services, Inc. to Bank of America, N.A. Guaranteed by Bank of America Corp.

Each of the above Swap Agreements is a Qualified Hedge Agreement under the Indenture. As a result, pursuant to the terms of the Indenture and for purposes of calculating the Net Revenue Requirement to be used in demonstrating compliance with certain financial tests and requirements under the Indenture, including tests for the issuance of Additional Senior Bonds, the Authority is entitled to treat the Senior Bonds related to a given Swap Agreement as bearing interest at (a) the fixed rate of interest payable by the Authority to the counterparty under such Swap Agreement, plus (b) the variable rate of interest payable on such Bonds less the variable rate of interest payable by such counterparty to the Authority. Each of the Swap Agreements will amortize in such amounts and at such times that the notional amount of the Swap Agreement will always approximately match, and not exceed, the outstanding principal amount of the related Bonds.

The fixed interest payments made by the Authority under each of the Swap Agreements will be paid from amounts on deposit in the Interest Sub-Account of the Debt Service Account on parity with the lien of the Net Revenues created with respect to the Senior Bonds.

Arrangements made in respect of the Swap Agreements do not alter the Authority's obligation to pay the principal of, premium, if any, and interest on the Authority's Outstanding Bonds. Payments pursuant to the Swap Agreements do not constitute Revenues and, therefore, the Swap Agreements do not provide a source of security for the Authority's Outstanding Bonds.

There are certain risks related to each Swap Agreement. For a discussion of these risks, see **APPENDIX A – "FINANCIAL STATEMENTS – Note 9 – Derivative Instruments**."

Sources of Funds for Swap Termination Payments

Under the Indenture, any termination payments with respect to Swap Agreements will be paid from amounts on deposit in the Termination Payment Account or other lawfully available funds of the Authority. Such payments are made after: payments of debt service on Senior Bonds; deposits to the Debt Reserve Account; and payments of any amounts required by Supplemental Indentures authorizing Junior Bonds. See "**Security and Sources of Payment for the 2019B Bonds – Flow of Funds**."

Liquidity and Credit Facilities

The Authority's 2007A Bonds and 2008A Bonds are variable rate bonds. The 2008A Bonds have bond insurance. The 2008A-2 Bonds have liquidity support provided through a standby bond purchase agreement with the liquidity provider set forth below. The 2008A-1b Bonds have liquidity support through a bondholder agreement with the direct purchaser set forth below. The 2007A Bonds have liquidity and credit support provided through agreements with the respective providers set forth below:

Series	Insurer	Provider of Liquidity Facility, Credit Facility, or Direct Purchase	Term Expiration
2007A-1a	None	Landesbank Hessen-Thüringen Girozentrale	01/30/2022
2007A-1b	None	Bank of America, N.A.	03/01/2021
2007A-2d	None	Bank of America, N.A.	03/01/2021
2008A-1b	Assured Guaranty Municipal Corp.	RBC Municipal Products, LLC	02/03/2020
2008A-2	Assured Guaranty Municipal Corp.	JPMorgan Chase Bank, N.A.	01/30/2020

Except for the directly purchased 2008A-1b Bonds, as of the date of this Official Statement, no variable rate bonds are held by their respective liquidity or credit facility providers. The supporting agreements for the 2008A-1b Bonds and 2008A-2 Bonds are expected to be renewed or replaced on or prior to their term expirations, if such bonds are not refunded prior to such term expirations.

Pro Forma Debt Service Coverage

Table Seven below sets forth pro forma debt service coverage for the years 2019 through 2031, based upon the assumptions set forth in this Official Statement. Projected Toll Revenues in Table Seven are based on information from the Traffic Engineers' Report attached hereto as **APPENDIX C – "Traffic Engineers' Report."** Projected Operating Expenses in Table Seven are based upon the Consulting Engineers' Report attached hereto as **APPENDIX B – "Consulting Engineers' Report**." Selected portions of each report are summarized in the paragraphs that follow in this section and reference is made to **APPENDICES B** and **C** for the reports of the Consulting Engineers and Traffic Engineers, respectively.

As previously noted, the toll revenue estimates in the Traffic Engineers' Report represent expected revenue. Expected revenue represents the revenue that would be collected if every vehicle paid the exact published toll based on vehicle class, time of day and payment type. The expected revenue does not account for overpayments, underpayments, exemptions or toll avoidance nor does it account for tolls and fines collected through the violation enforcement system. In addition, estimates of toll revenues by the Traffic Engineers are based on various assumptions, including the continuation of annual adjustments implemented each January 1, beginning with January 1, 2018, to the commercial vehicle toll rate based on the CPI-U. The annual adjustments implemented on January 1 of each of 2018 and 2019 were based on CPI-U-based increases of 1.839% and 2.254%, respectively, and the annual adjustment expected to be implemented on January 1, 2020 is based on a CPI-U-based increase of 2.072%. The Traffic Engineers have assumed that annual adjustments will be an estimated 2.000% increase in each calendar year thereafter. The Traffic Engineers' Report assumes that for passenger vehicles, the present toll schedule will remain in effect. Critical revenue assumptions are stated in the Traffic Engineers' Report. See **APPENDIX C– "Traffic Engineers' Report."**

Future Senior Bonds for the payment of Project Costs may be issued on a parity with Outstanding Senior Bonds *provided* that the Authority certifies, based upon certificates of Traffic Engineers and Consulting Engineers and in addition to certain other required certifications, that (1) Net Revenues as reflected in the books of the Authority for a period of 12 consecutive months out of the 18 months next preceding each issuance (as adjusted to reflect certain adjustments of toll rates, if applicable) exceeded the Net Revenue Requirement for such 12-month period, and (2) estimated Net Revenues for the current and each future Fiscal Year through at least the fifth full Fiscal Year after the date of issuance of such Additional Bonds shall be at least equal to the estimated Net Revenue Requirement for such Fiscal Year. Other tests apply for Senior Bonds issued for the purpose of completing a Project or Senior Bonds issued for refunding purposes. The Net Revenue Requirement means, with respect to any period of time, an amount necessary to cure deficiencies, if any, in the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account plus the greater of (i) the sum of Aggregate Debt Service (defined as the sum of the amounts of Debt Service with respect to all series of Senior Bonds), the Junior Bond Revenue Requirement and the Renewal and Replacement Deposit for such period, or (ii) 1.3 times the Aggregate Debt Service for such period. As of the date of this Official Statement, the Authority has no Junior Bonds or Subordinated Indebtedness outstanding. See **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Additional Indebtedness**."

Under the Indenture, the Authority is required to adopt an annual budget of its operating expenses for each Fiscal Year, which budget shall include the recommendations of the Consulting Engineers as to the Renewal and Replacement Deposit for such Fiscal Year and the Authority's estimate of the amounts available for credit to the Improvement Account and the System Reserve Account. Estimates of Renewal and Replacement Deposits are based upon the Consulting Engineers' assessment of the Tollway System and its independent review of information provided by the Authority, including projected balances, budgeted expenditures and projected future expenditures. The Consulting Engineers' Report also contains projected Renewal and Replacement Deposits for years 2019 through 2031.

The following table sets forth pro forma debt service coverage for the years 2019 through 2031, based upon the assumptions set forth in the footnotes. **As noted in the footnotes, debt service in this table includes the issuance of the 2019B Bonds and the refunding of the Refunded Bonds but does not take into account any bond issuance projected after the issuance of the 2019B Bonds**. This table should be considered in conjunction with the entire Consulting Engineers' Report and the entire Traffic Engineers' Report to understand the assumptions on which Projected Revenues and Projected Operating Expenses are based. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. The financial information in the following Table Seven is projected on a Trust Indenture Basis.

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TABLE SEVEN

PRO FORMA DEBT SERVICE COVERAGE
(DOLLARS IN THOUSANDS)

Projected Revenues	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Expected Toll Revenues[(1)]	$1,457,135	$1,515,790	$1,560,930	$1,605,649	$1,646,234	$1,714,744	$1,767,414
Evaded Tolls[(2)]	(90,135)	(95,790)	(96,064)	(96,339)	(98,774)	(102,885)	(106,045)
Evasion Recovery[(3)]	83,000	75,000	76,852	77,071	79,019	82,308	84,836
Concessions and Miscellaneous	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Investment Income	35,000	30,000	25,000	20,000	$20,000	$20,000	25,000
TOTAL REVENUES	**$1,495,000**	**$1,535,000**	**$1,576,717**	**$1,616,381**	**$1,656,479**	**$1,724,167**	**$1,781,205**
Projected Operating Expenses[(4)]	**$365,374**	**$380,248**	**$395,000**	**$410,200**	**$426,300**	**$442,700**	**$459,700**
Projected Net Revenues	**$1,129,626**	**$1,154,752**	**$1,181,717**	**$1,206,181**	**$1,230,179**	**$1,281,467**	**$1,321,505**
Projected Debt Service [(5)]	$422,806	$436,232	$434,749	$434,767	$434,840	$432,109	$456,518
Pro Forma Debt Service Coverage	**2.7 x**	**2.6 x**	**2.7 x**	**2.8 x**	**2.8 x**	**3.0 x**	**2.9 x**
Projected Net Cash Flow [(6)]	$706,820	$718,520	$746,968	$771,415	$795,339	$849,359	$864,987

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(1) Projected Expected Toll Revenues, the toll revenues that would be collected if applicable toll payments were received from all vehicles, are based upon the Traffic Engineers' Report. See **APPENDIX C**.

(2) Projected Evaded Tolls (aka Toll Revenue Leakage) averages approximately 6.2% of Expected Toll Revenues in 2019–2021 and is projected at 6.0% of Expected Toll Revenues thereafter. See "**THE TOLLWAY SYSTEM – Toll Collections**" for a discussion of Evaded Tolls.

(3) Projected Evasion Recovery averages approximately 85% of Evaded Tolls in 2019–2020 and thereafter is projected at 80% of Evaded Tolls, which equates to net leakage of 1.2%.

(4) Projected Operating Expenses are based upon the Consulting Engineers' Report. See **APPENDIX B**.

(5) See "**FINANCIAL INFORMATION – Annual Debt Service Requirements**" for certain assumptions relating to debt service on the outstanding Senior Bonds. **This table includes the issuance of the 2019B Bonds and refunding of the Refunded Bonds but does not take into account any bond issuance thereafter.** The Authority's current estimate of projected debt service coverage assuming the issuance of all additional bonds for the *Move Illinois* Program, such assumed issuance as described in "**PLAN OF FINANCE**" herein, is at or exceeds 2x for each of the years of 2019 through 2031. This table does not take into account either as revenue or as a credit against debt service, any Subsidy Payments expected in connection with the issuance of the 2009A Bonds and 2009B Bonds as Build America Bonds. Debt Service due January 1 of each year is deemed payable in the preceding year. See the definition of "Debt Service" in **APPENDIX D**.

(6) In each year, the projected net cash flow exceeds the projected Renewal and Replacement Deposit for such year set forth in the Consulting Engineers' Report.

Totals may not add due to rounding.

TABLE SEVEN (CONTINUED)

PRO FORMA DEBT SERVICE COVERAGE
(DOLLARS IN THOUSANDS)

Projected Revenues	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Expected Toll Revenues[1]	$1,832,975	$1,899,540	$1,945,237	$1,982,558	$2,013,648	$2,046,157
Evaded Tolls[2]	(109,979)	(113,972)	(116,714)	(118,953)	(120,819)	(122,769)
Evasion Recovery[3]	87,983	91,178	93,371	95,163	96,655	98,216
Concession and Miscellaneous	10,000	10,000	10,000	10,000	10,000	10,000
Investment Income	25,000	25,000	$20,000	$20,000	$20,000	$20,000
TOTAL REVENUES	**$1,845,979**	**$1,911,746**	**$1,951,894**	**$1,988,767**	**$2,019,484**	**$2,051,603**
Projected Operating Expenses[4]	**$483,500**	**$501,900**	**$520,300**	**$538,800**	**$552,300**	**$571,600**
Projected Net Revenues	**$1,362,479**	**$1,409,846**	**$1,431,594**	**$1,449,967**	**$1,467,184**	**$1,480,003**
Projected Debt Service [5]	$492,871	$491,607	$492,367	$493,060	$491,903	$500,187
Pro Forma Debt Service Coverage	**2.8 x**	**2.9 x**	**2.9 x**	**2.9 x**	**3.0 x**	**3.0 x**
Projected Net Cash Flow [6]	$869,608	$918,238	$939,227	$956,907	$975,281	$979,816

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(1) Projected Expected Toll Revenues, the toll revenues that would be collected if applicable toll payments were received from all vehicles, are based upon the Traffic Engineers' Report. See **APPENDIX C**.

(2) Projected Evaded Tolls (aka Toll Revenue Leakage) averages approximately 6.2% of Expected Toll Revenues in 2019–2021 and is projected at 6.0% of Expected Toll Revenues thereafter. See "**THE TOLLWAY SYSTEM – Toll Collections**" for a discussion of Evaded Tolls.

(3) Projected Evasion Recovery averages approximately 85% of Evaded Tolls in 2019–2020 and thereafter is projected at 80% of Evaded Tolls, which equates to net leakage of 1.2%.

(4) Projected Operating Expenses are based upon the Consulting Engineers' Report. See **APPENDIX B**.

(5) See "**FINANCIAL INFORMATION – Annual Debt Service Requirements**" for certain assumptions relating to debt service on the outstanding Senior Bonds. **This table includes the issuance of the 2019B Bonds and refunding of the Refunded Bonds but does not take into account any bond issuance thereafter.** The Authority's current estimate of projected debt service coverage assuming the issuance of all additional bonds for the *Move Illinois* Program, such assumed issuance as described in "**PLAN OF FINANCE**" herein, is at or exceeds 2x for each of the years of 2019 through 2031. This table does not take into account either as revenue or as a credit against debt service, any Subsidy Payments expected in connection with the issuance of the 2009A Bonds and 2009B Bonds as Build America Bonds. Debt Service due January 1 of each year is deemed payable in the preceding year. See the definition of "Debt Service" in **APPENDIX D**.

(6) In each year, the projected net cash flow exceeds the projected Renewal and Replacement Deposit for such year set forth in the Consulting Engineers' Report.

Totals may not add due to rounding.

CERTAIN RISK FACTORS

The following is a discussion of certain risk factors attendant to an investment in the 2019B Bonds. The discussion is a non-exclusive summary of such risks and is not intended to be exhaustive. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with the entire Official Statement. The order in which risks are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may be other risks or considerations associated with an investment in the 2019B Bonds in addition to those set forth in this Official Statement.

General Factors Affecting Authority Revenues

The information provided with respect to toll revenues collected by the Authority is based on historical data. The amount of future toll revenues to be collected by the Authority depends upon a number of factors, including rates established by the Authority and levels and composition of traffic on the Tollway System. The Authority is authorized under the Act to make and establish or repeal toll rates as it deems necessary, expedient and sufficient to maintain and operate the Tollway System, including the payment of administrative expenses and discharge of all Authority obligations as they become due and payable. The Authority is obligated under the Indenture to set tolls at levels that are expected to generate, with other revenues of the Authority, Net Revenues sufficient to meet its obligations under the Indenture. It is currently anticipated that the existing and future toll rate structures specified in TABLE ONE – TOLL RATES BY VEHICLE CLASS will be sufficient to meet the toll covenant of the Authority contained in the Indenture. See "**SECURITY AND SOURCES OF PAYMENTS FOR THE 2019B BONDS – Toll Covenant**." However, the amount and composition of traffic on the Tollway System cannot be predicted with certainty and may underperform Authority expectations due to general economic conditions, diversion of some traffic to alternative non-toll routes to avoid toll rate increases, increased fuel costs, increased mileage standards or other factors.

Forward Looking Statements; Traffic Engineers' Report and Consulting Engineers' Report

This Official Statement, including particularly the Traffic Engineers' Report attached as **APPENDIX C**, the Consulting Engineers' Report attached as **APPENDIX B** and the statements of the Authority contained in this Official Statement based on those reports, contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," "assume" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements.

The Traffic Engineers' Report, and the traffic forecasts contained in it, incorporates numerous assumptions and projections as to estimated revenues. No assurances can be given that such assumptions will occur. Some assumptions used to develop the forecasts may not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast period may vary, and the variations may be material. See **"TRAFFIC AND CONSULTING ENGINEERS"** and **APPENDIX C – "TRAFFIC ENGINEERS' REPORT**."

The Consulting Engineers' Report, and the forecasts contained in it, incorporates numerous assumptions and projections as to capital program costs, operating expenses and needs for deposits to the Renewal and Replacement Account. No assurances can be given that such assumptions will occur. Some assumptions used to develop the forecasts may not be realized, and unanticipated events and circumstances may occur. The replacement of AECOM as Consulting Engineers by WSP USA Inc., effective in 2018, may result in utilization of different assumptions, projections and methodologies to provide the services of the Consulting Engineers required by the Indenture, including assessment of the physical condition of the Tollway System. Therefore, the actual results achieved during the forecast period may vary, and the variations may be material. See **APPENDIX B – "CONSULTING ENGINEERS' REPORT**."

Move Illinois Program

In connection with the Move Illinois Program, as is the case with all of the Authority's capital programs, there is a possibility of time delays and cost increases resulting from various factors. Changes in the timeliness or cost of acquiring rights-of-way ("**ROW**") pursuant to eminent domain or otherwise may result in a material increase in cost and/or delay in schedule. Other factors that could contribute to time delays and cost increases include, but are not limited to (i) design and construction issues and resulting change orders and project additions or changes to project scope, (ii) environmental litigation or environmental administrative matters, (iii) unidentified factors related to the physical condition of the Tollway System, (iv) utility relocation issues, (v) hazardous materials, (vi) force majeure events, (vii) litigation, (viii) inflation, (ix) insurance coverage matters, (x) labor actions, or (xi) insolvency or bankruptcy of contractors or other inability of contractors to perform during construction of the Move Illinois Program. As a result, there can be no assurances that the costs of completion of the Move Illinois Program will not exceed current estimates or that the completion of the projects will not be delayed beyond the scheduled completion date. Variations in cost estimates and delays in construction could be material.

Delays in construction completion or the inability to acquire ROW could impact the collection of toll revenues on the affected portion of the Tollway System. The Traffic Engineers' Report forecasts revenues based on the timely completion of projects. Actual revenues may differ from such forecasts, and the difference may be material. See **APPENDIX C – "TRAFFIC ENGINEERS' REPORT**."

<u>The Elgin-O'Hare Western Access Project</u>. A portion of the Elgin-O'Hare Western Access Project constructs a bypass between I-90 and I-294 along the western side of O'Hare International Airport ("I-490"). As designed, I-490 requires the acquisition of ROW over certain land owned by Canadian Pacific Railway ("**Canadian Pacific**"), a portion of which the Authority has been unable to obtain. Subsequently, the Authority engaged in negotiations to acquire certain alternative ROW from Canadian Pacific and ROW from Union Pacific Railroad ("**Union Pacific**"), which requires certain alternative designs to part of the I-490 portion of the Elgin-O'Hare Western Access Project. The Authority has executed a Letter of Intent with Canadian Pacific in this regard and has executed a Memorandum of Understanding with Union Pacific. The Authority and engineering consultants are working cooperatively with other entities to finalize and submit the I-490 design alternative for approval.

Adverse Changes to Third-Party Financial Institutions

Adverse changes in the financial condition of certain third-party financial institutions may adversely affect the Authority's financial position. See "**FINANCIAL INFORMATION – Swap Agreements**" and "– **Liquidity and Credit Facilities**." Certain of the Authority's obligations associated with its contractual arrangements may create exposure for the Authority to such institutions, including but not limited to:

- Counterparty risk related to Swap Agreements used by the Authority to hedge its cost of funds, including any termination events;
- Risk of rating changes of the Authority's liquidity or credit support providers, which may adversely affect the interest costs on the Authority's variable rate debt or which may render such variable rate debt unmarketable; and
- Risk of non-renewal of one or more of the Authority's liquidity or credit support agreements and inability to replace such agreements, which could result in a mandatory tender of the associated variable rate bonds which may adversely affect the debt service of such bonds and/or cause the Authority to refinance or pre-pay some or all of such bonds.

Technological and Other Risk Factors

The Authority is dependent on technology to conduct general business operations, including toll collection and customer account services that depend on the ability to process, record and monitor a large number of electronic transactions generated by equipment that records transponder and license plate information on vehicles, which equipment is located throughout the Tollway System. See "**THE TOLLWAY SYSTEM – Toll Collections**." If the Authority's financial, accounting or other data processing systems fail or have other significant shortcomings, the Authority could be materially adversely affected. The Authority is similarly dependent on its employees and contractors. It could be materially adversely affected if one or more of its employees/contractors cause a significant operational breakdown or failure, either as a result of human error, purposeful sabotage or fraudulent manipulation of one or more systems. In addition, as the Authority changes processes or introduces new services, the Authority may not fully appreciate or identify new operational risks that may arise from such changes. Any of these occurrences could diminish the Authority's ability to operate or result in potential liability.

The Authority may experience disruptions of its operating systems due to events that are wholly or partially beyond the Authority's control, which may include, for example, security breaches; electrical or telecommunications outages; failures of computer servers or other damage to the Authority's property or assets; natural disasters; or events arising from local or larger scale political events, including terrorist acts. While the Authority believes that its current resiliency plans are both sufficient and adequate, there can be no assurance that such plans will fully mitigate all potential business continuity risks. Any failures or disruptions of the Authority's systems or operations could cause reputational damage and/or give rise to losses or liability that may require the Authority to expend significant resources to correct the failure or disruption and/or expose the Authority to litigation or losses not covered by insurance.

Computer hacking, cyber-attacks or other malicious activities could disrupt Tollway System services. Further, security breaches such as leakage or loss of confidential or proprietary data and failure or disruption of information technology systems could materially and adversely affect the Authority's reputation, which could lead to significant outlays and decreased performance that insurance may not cover.

Although the Authority devotes significant resources to maintaining and regularly upgrading its systems and processes designed to protect the security of its computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to its customers, there is no assurance that all of the Authority's security measures will provide absolute security. These risks may increase in the future as the Authority continues to increase its mobile-payment and other internet-based applications both internally and externally.

In addition, the Authority is also a member of a consortium of toll collection agencies from various states across the country that relies on technology to collect tolls, which technology is subject to similar risks. See "**THE TOLLWAY SYSTEM – Toll Collections**."

Pension Expenses

As stated under "**THE AUTHORITY – Pensions**," the Authority currently contributes to SERS based on the covered payroll of Authority employees. The Authority's annual contributions to SERS have increased in recent years and may increase in the future as a result of increases to the employer contribution rate as the result of legislative action by the State modifying the basis by which the Authority Contribution to SERS is determined and/or increases to the amount of payroll. Such increases may have a material impact on the Authority's finances. The Authority is unable to quantify the extent of any such impact at this time.

The Authority's contributions to SERS are predominantly Operating Expenses of the Authority and are therefore paid from Revenues prior to the payment of debt service on Senior Bonds. See "**SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS – Flow of Funds**." A sufficiently significant increase in the amount of the Authority's required contributions to SERS could result in the Authority having to reduce other Operating Expenses, raise toll rates, or both.

Loss of Tax Exemption

As discussed under **"TAX MATTERS"** herein, interest on the 2019B Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the 2019B Bonds were issued, as a result of future acts or omissions of the Authority in violation of its covenants in the Tax Exemption Certificate and Agreement entered into in connection with the issuance of the 2019B Bonds or future Congressional actions.

IRS Bond Examinations

The tax-exempt bond office of the Internal Revenue Service (the "**Service**") conducts audits of tax-exempt bonds, both compliance checks and full audits, to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures, the Service may treat the Authority as a taxpayer, and the Owners of the 2019B Bonds may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Authority could adversely affect the market value and liquidity of the 2019B Bonds, regardless of the ultimate outcome.

Legislative Action

Legislation is introduced from time to time in the Illinois General Assembly which, if adopted, may affect the Authority or the Tollway System. The Authority cannot predict whether or not any such bills will be enacted into law or how any such legislation may affect the Authority and its ability to meet its payment obligations under the Indenture and with respect to the 2019B Bonds. The Tollway currently does not collect tolls from specific and limited public transportation entities described in Section 19 of the Toll Highway Act, as amended by Public Act 100-0739, which results in de minimis foregone revenue.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority, threatened in any court, (i) questioning the existence or organization of the Authority, the title of any of the present officers of the Authority to their respective offices, the validity of the 2019B Bonds or any other Authority bonds, seeking to restrain or enjoin the issuance or delivery of the 2019B Bonds or any other Authority bonds or questioning the power of the Authority to pledge Net Revenues in accordance with the terms of the Indenture, or (ii) questioning the power of the Authority to collect tolls, fees, charges and rents or receive other Revenues or questioning the Authority's other powers that in either case would have a material adverse effect on the financial condition of the Authority or the issuance of the 2019B Bonds.

Lawsuits have been filed and are currently pending against the Authority, including claims for breach of contract, wrongful discharge, workers' compensation and personal injury to employees and non-employees. The Authority, after taking into consideration legal counsel's evaluation of such actions, is of the opinion that the anticipated outcome of these matters will have no material adverse effect on the financial condition of the Authority. The Authority has commercial insurance coverage for certain risks, including liability and damages to Authority property. Each of these insurance programs is subject to self-funded retentions and/or deductibles. These self-funded retentions and deductibles range from $250,000 to $500,000 per occurrence for liability and $50,000 to $1,000,000 per occurrence for damages to Authority property.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance and sale of the 2019B Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel ("**Bond Counsel**"), who has been retained by, and acts as, Bond Counsel to the Authority. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the 2019B Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Authority, reviewed only the information in this Official Statement involving the description of the 2019B Bonds and the Indenture, the security for the 2019B Bonds and the description of the federal tax exemption of interest on the 2019B Bonds, including **APPENDIX D** - "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**." This review was undertaken solely at the request and for the benefit of the Authority and did not include any obligation to establish or confirm factual matters set forth in this Official Statement. The opinion of Bond Counsel for the 2019B Bonds will be in substantially the form included in this Official Statement as **APPENDIX F**.

Certain legal matters in connection with the 2019B Bonds will be passed upon for the Authority by the Authority's General Counsel, and by the Authority's special counsel, Schiff Hardin LLP, Chicago, Illinois and for the Underwriters by their counsel, Foley & Lardner LLP, Chicago, Illinois. The law firm representing the Underwriters was selected by the Authority, with the consent of the senior underwriters. Certain documents to which the Authority is a party will be approved as to form and constitutionality by the Attorney General of Illinois as *ex officio* attorney for the Authority.

For purposes of compliance with Rule 15c2-12 (the "**Rule**") of the United States Securities and Exchange Commission (the "**SEC**"), as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the Authority that has been deemed final by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

RELATED PARTIES

In connection with the issuance of the 2019B Bonds, the Authority and the Underwriters are being represented by the law firms described under the caption "**APPROVAL OF LEGAL PROCEEDINGS**" above. In other transactions not related to the 2019B Bonds, each of these law firms may have acted as bond counsel or represented the Authority, the Underwriters or their affiliates, in capacities different from those currently served by such law firms in this transaction, and there will be no limitations imposed as a result of the issuance of the 2019B Bonds on the ability of any of these firms to act as bond counsel or represent any of these parties in future transactions. It should not be assumed that the Authority, the Underwriters, or their affiliates, their respective counsel or Bond Counsel has not previously engaged in, is not currently engaged in (as to matters unrelated to the 2019B Bonds) or will not, after the issuance of the 2019B Bonds, engage in other transactions with each other or with any affiliates of them, and no assurances can be given that there are or will be no past or future relationship or transactions between or among any of these parties or these law firms.

UNDERWRITING

Morgan Stanley & Co. LLC and BofA Securities, Inc. collectively acting as the representative, each on behalf of itself and on behalf of the other underwriters listed on the cover of this Official Statement (the "**Underwriters**"), are expected to enter into a purchase contract with the Authority pursuant to which the Underwriters will jointly and severally agree, subject to certain customary conditions precedent to closing, to purchase the 2019B Bonds from the Authority at a purchase price of $276,621,284.61 (representing the par amount of the 2019B Bonds, plus original issue premium of $51,916,735.55 and less an Underwriters' discount of $540,450.94).

Under the purchase contract, the Underwriters will be obligated to purchase all the 2019B Bonds if any 2019B Bonds are purchased. The 2019B Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing such Bonds into investment trusts) at prices lower than the initial offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses. Under certain circumstances, the Underwriters and their respective affiliates may have certain creditor and/or other rights against the Authority in connection with such activities and services.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account or for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters have provided the following sentence for inclusion in this Official Statement: Each Underwriter has reviewed the information in this Official Statement in accordance with and as part of its respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but no Underwriter guarantees the accuracy or completeness of such information.

Morgan Stanley & Co. LLC, an Underwriter of the 2019B Bonds, has entered into a retail distribution agreement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the municipal advisor network of Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2019B Bonds.

BofA Securities, Inc., an Underwriter of the 2019B Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**MLPF&S**"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2019B Bonds.

J.P. Morgan Securities LLC ("**JPMS**"), one of the Underwriters of the 2019B Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("**CS&Co.**") and LPL Financial LLC ("**LPL**") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2019B Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2019B Bonds that such firm sells.

Academy Securities, Inc., Co-Manager of the above referenced issue, has entered into Third-Party Distribution Agreements with TD Ameritrade Inc., BNY Mellon Capital Markets LLC, Commonwealth Financial Network, R. Seelaus & Co., Ross, Sinclaire & Associates, Inc., Intercoastal Capital Markets, Inc., Janney Montgomery Scott LLC, The GMS Group LLC, 280 Securities LLC, Mountainside Securities LLC and World Equity Group, Inc. for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these Third-Party Distribution Agreements (if applicable to this transaction), Academy Securities may share a portion of its underwriting compensation with these firms.

Blaylock Van, an Underwriter of the 2019B Bonds, has entered into an agreement with TD Ameritrade that enables the firm to distribute certain new issue municipal securities underwritten by or allocated to Blaylock Van, which could include the 2019B Bonds. Under such agreement, Blaylock Van will share with such firm a portion of the fee or commission paid to Blaylock Van.

MUNICIPAL ADVISOR

Hilltop Securities Inc., New York, New York (the "**Municipal Advisor**") is employed as municipal advisor to the Authority in connection with the sale and issuance of the 2019B Bonds. A portion of the municipal advisory services may be provided by TKG & Associates LLC ("**TKG**") pursuant to a contractual relationship between the Municipal Advisor and TKG. The Municipal Advisor's fee for services rendered with respect to the sale of the 2019B Bonds is contingent upon the issuance and delivery of the 2019B Bonds. The Municipal Advisor in its capacity as municipal advisor does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2019B Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor has provided the following sentence for inclusion in this Official Statement: The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to the Authority and, as applicable, to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

TRAFFIC AND CONSULTING ENGINEERS

The sections of this Official Statement entitled "**THE TOLLWAY SYSTEM – Routes,**" "**THE CAPITAL PROGRAMS – The Move Illinois Program,**" "**The Congestion-Relief Program**," "**Potential Additional Capital Projects**," "**Condition and Maintenance**" and "**Renewal and Replacement Program and Improvement Program**" were prepared, in part, on the basis of information supplied by WSP USA Inc., Chicago, Illinois, the Consulting Engineers. **APPENDIX B** of this Official Statement was prepared by the Consulting Engineers in connection with the issuance of the Authority's 2019B Bonds and contains information on the condition of the existing Tollway System, the history of the major improvement programs, projects in the Capital Program, and the projected needs of the Tollway System in terms of renewal and replacement deposits and future maintenance and operating costs for 2019 through 2031. Such projections are based upon certain assumptions made by the Consulting Engineers as set forth in their report. The report in **APPENDIX B** reflects the scope, cost and schedule of completion of the sub-projects that make up the Move Illinois Program, as developed by the Authority's Program Management Office (the "**PMO**"), which costs vary in detail based upon the stage of implementation of each sub-project as more fully described therein. The report provides the Consulting Engineers' opinion on the reasonableness of the estimated cost ($14.3 billion program budget; current estimate $14.2 billion) of the Move Illinois Program as developed by the PMO. As stated in the report, market conditions and unforeseen events may affect the implementation and cost of the Capital Program and, on an annual basis, the Consulting Engineers' recommendations for Renewal and Replacement Deposits will reflect consideration of any adjustments to the Capital Program by the Authority.

The sections of this Official Statement entitled "**THE TOLLWAY SYSTEM – Toll Rates**,"**– Historical Toll Transactions and Toll Revenues,**" "**Historical Net Operating Revenues,**" "**THE CAPITAL PROGRAMS – The Move Illinois Program**" and "**– The Congestion-Relief Program**" were prepared, in part, on the basis of information supplied by the Traffic Engineers, CDM Smith Inc., Lisle, Illinois. **APPENDIX C** of this Official Statement was prepared by the Traffic Engineers in connection with the issuance of the Authority's 2019B Bonds and contains historical information regarding traffic and revenues and forecasts of future traffic and revenues of the Tollway System. The forecasts in **APPENDIX C** are based on assumptions made by the Traffic Engineers concerning future events and circumstances it believes are significant to the forecasts.

The achievement of any activity estimates, forecasts or projections of the Consulting Engineers and the Traffic Engineers may be affected by fluctuating economic and other market conditions and other factors, including, without limitation, impact of economic conditions on travel in general, including the cost of fuel, competition and price increases for labor and materials and other matters contained in the assumptions in such reports, and depends upon the occurrence of other future events that cannot be assured. Therefore, actual results may vary from the forecasts, estimates and projections, and such variations could be material. See "**CERTAIN RISK FACTORS – Forward Looking Statements; Traffic Engineers' Report and Consulting Engineers' Report.**"

RATINGS

The 2019B Bonds have been assigned ratings of: "AA-" with stable outlook by Fitch Ratings; "A1" with stable outlook by Moody's Investors Service, Inc.; and "AA-" with stable outlook by S&P Global Ratings. Each such rating reflects only the views of such rating agency. Any explanation of the significance of such ratings may be obtained only from the respective rating agencies. Certain information and materials concerning the 2019B Bonds, the Authority and the Tollway System, some of which have not been included in this Official Statement, were furnished to the rating agencies by the Authority and others. There is no assurance that any such rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely. Any downward revision or withdrawal of any such rating may have an adverse effect on the prices at which the 2019B Bonds may be resold.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the 2019B Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Authority has covenanted to comply with all requirements that must be satisfied in order for the interest on the 2019B Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2019B Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 2019B Bonds.

Subject to the Authority's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2019B Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "**Code**").

In rendering its opinion, Bond Counsel will rely upon certifications of the Authority with respect to certain material facts within the Authority's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the 2019B Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the 2019B Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the 2019B Bonds is the price at which a substantial amount of such maturity of the 2019B Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the 2019B Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the 2019B Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the 2019B Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Authority complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of 2019B Bonds who dispose of 2019B Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2019B Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase 2019B Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2019B Bond is purchased at any time for a price that is less than the 2019B Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a 2019B Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2019B Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2019B Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2019B Bonds.

An investor may purchase a 2019B Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the 2019B Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax exempt bond. The amortized bond premium is treated as a reduction in the tax exempt interest received. As bond premium is amortized, it reduces the investor's basis in the 2019B Bond. Investors who purchase a 2019B Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2019B Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2019B Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2019B Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2019B Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2019B Bonds. If an audit is commenced, under current procedures the Service may treat the Authority as a taxpayer and the 2019B Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2019B Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the 2019B Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W 9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2019B Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the 2019B Bonds is not exempt from present State income taxes. Ownership of the 2019B Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2019B Bonds. Prospective purchasers of the 2019B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

The Authority will enter into a Continuing Disclosure Undertaking (the "**Agreement**") for the benefit of the Owners of the 2019B Bonds to provide certain information and notice of certain events to the Municipal Securities Rulemaking Board (the "**MSRB**") through its Electronic Municipal Market Access system for municipal securities disclosure (accessible at http://emma.msrb.org/default.aspx) ("**EMMA**"), in electronic format as prescribed by the MSRB for purposes of paragraph (b)(5) of the Rule 15c2-12, or through such other format or system as may be prescribed by the MSRB for purposes of such paragraph (b)(5) of the Rule adopted by the SEC under the 1934 Act). The events which will be subject to notices on an occurrence basis and a summary of other terms of the Agreement, including termination, amendment and remedies, are set forth below.

The Authority believes that it has materially complied with its previous undertakings under the Rule during the last five years.

A failure by the Authority to comply with the Agreement will not constitute a default under the Indenture and Owners of the 2019B Bonds are limited to the remedies described in the Agreement. See "**CONTINUING DISCLOSURE – Consequences of Failure of the Authority to Provide Information**" below. A failure by the Authority to comply with the Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2019B Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2019B Bonds and their market price.

The following is a brief summary of certain provisions of the Agreement and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Agreement, a copy of which is available upon request from the Underwriters.

Annual Report

The Authority will, not later than ten months after the end of each Fiscal Year, provide to the MSRB through EMMA an Annual Report. Notwithstanding the foregoing, the audited Financial Statements of the Authority prepared in accordance with generally accepted accounting principles ("**GAAP Statements**") may be submitted separately from the balance of the Annual Report when such GAAP Statements are available. In the event that the GAAP Statements are not included with the Annual Report and will be submitted at a later date, the Authority will include unaudited financial information in the Annual Report and will indicate in the Annual Report the date on which the GAAP Statements are expected to be submitted. If the Annual Report (or GAAP Statements which were to be separately submitted) is not available by the date required above, the Authority will send a notice to EMMA or through any other electronic format or system prescribed by the MSRB that the Annual Report (or GAAP Statements) has not been filed.

The Authority's Annual Report will contain or incorporate by reference the following:

(a) Operating data and other information regarding the Authority for the prior Fiscal Year of the same type as included in Tables One through Five under the caption "**THE TOLLWAY SYSTEM**" and Table Six under the caption "**THE CAPITAL PROGRAMS**" in this Official Statement; and

(b) GAAP Statements for the prior Fiscal Year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements for debt issues with respect to which the Authority is an "obligated person" (as defined by the Rule), which have been filed with the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so incorporated by reference.

Events Notification

The Authority covenants that it will disseminate in a timely manner, not in excess of ten business days after the occurrence of the "Reportable Event" (as described below), to the MSRB in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, the disclosure of the occurrence of a Reportable Event. Certain Reportable Events are required to be disclosed only to the extent that such Reportable Event is material, as materiality is interpreted under the 1934 Act. The "**Reportable Events**," certain of which may not be applicable to the 2019B Bonds, are:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2019B Bonds, or other material events affecting the tax status of the 2019B Bonds;

7. modifications to rights of Bondholders, if material;

8. 2019B Bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the 2019B Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership or similar event of the Authority (such a Reportable Event will be considered to have occurred in the following instances: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if the jurisdiction of the Authority has been assumed by leaving the Authority and the Authority's officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the

entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority);

13. the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. incurrence of a financial obligation[*] of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect Bondholders, if material; and

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties.

Consequences of Failure of the Authority to Provide Information

The Authority agrees in the Agreement to give notice in a timely manner to the MSRB of any failure to provide disclosure of the Annual Report when the same is due under the Agreement.

In the event of a failure of the Authority to comply with any provision of the Agreement, the Owner of any 2019B Bond may seek mandamus or specific performance by court order to cause the Authority to comply with its obligations under the Agreement. A failure to comply under the Agreement shall not be deemed a default under the Indenture, and the sole remedy under the Agreement in the event of any failure of the Authority to comply with the Agreement shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Agreement, the Authority may amend the Agreement, and any provision of the Agreement may be waived if:

(1) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted;

(2) The Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver does not materially impair the interests of the Owners of the 2019B Bonds, as determined by parties unaffiliated with the Authority (such as the Trustee or Bond Counsel) at the time of the amendment.

Termination of Agreement

The Agreement shall be terminated if the Authority shall no longer have any legal liability for any obligation on or relating to repayment of the 2019B Bonds under the Indenture. For the avoidance of doubt, the Agreement shall be terminated upon the defeasance of all of the 2019B Bonds. The Authority shall give notice to EMMA or through any other electronic format or system prescribed by the MSRB in a timely manner if this paragraph is applicable.

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[*] The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii).

Additional Information

Nothing in the Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in the Agreement or any other means of communication, or including any other information in any notice of occurrence of a Reportable Event, in addition to that which is required by the Agreement. If the Authority chooses to include any information in any notice of occurrence of a Reportable Event in addition to that which is specifically required by the Agreement, the Authority shall have no obligation under the Agreement to update such information or include it in any future notice of occurrence of a Reportable Event.

Dissemination Agent

The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

LEGALITY FOR INVESTMENT

Under the Act, the 2019B Bonds are eligible in the State of Illinois for investment of sinking funds, moneys or other funds belonging to or within the control of banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, insurance associations, executors, administrators, guardians, trustees and other fiduciaries, municipal corporations, political subdivisions, public bodies, and public officers thereof.

FINANCIAL STATEMENTS

The financial statements of the Authority at December 31, 2018 and for the year then ended, included in **APPENDIX A** of this Official Statement, have been audited by CliftonLarsonAllen LLP, independent auditors as set forth in their report thereon relating to such years appearing in **APPENDIX A** to this Official Statement.

The Authority has neither requested nor obtained any consent from the auditors to include the audited financial statements as an appendix to this Official Statement. CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report included in this Official Statement, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this Official Statement.

ACCOUNTING AND INVESTMENT PRACTICES

Audited financial statements of the Authority conforming to generally accepted accounting principles at December 31, 2018 and for the year then ended are included in this Official Statement in **APPENDIX A**.

The Authority's permitted investments are governed by the provisions of the Indenture. See **APPENDIX D** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions – *Investment Securities***." See also Note 2 to Notes to Financial Statements included in **APPENDIX A** to this Official Statement for a description of the Authority's investments at December 31, 2018.

MISCELLANEOUS

The financial data and other information contained in this Official Statement have been obtained from the Authority's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained in this Official Statement will be realized.

The summaries or descriptions of provisions of the Act, the Indenture, the 2019B Bonds and all references to other materials not purporting to be quoted in full, are only brief outlines of certain of their provisions, are qualified in their entirety by reference to the complete documents relating to such matters and are subject to the full texts thereof.

The authorization, agreements and covenants of the Authority are set forth in the Indenture, and neither this Official Statement nor any advertisement of the 2019B Bonds is to be construed as a contract with the owners of the 2019B Bonds.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in the Rule.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so identified, are intended merely as such and not as representations of fact.

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AUTHORIZATION

The Authority has duly authorized the use and distribution of this Official Statement and the execution and delivery of this Official Statement by its Chairman.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

By: /s/ Willard S. Evans, Jr.
Chairman

APPENDIX A

FINANCIAL STATEMENTS

Audited Financial Statements for Fiscal Year Ended December 31, 2018

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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General, State of Illinois

and

Board of Directors
The Illinois State Toll Highway Authority

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the business-type activities of the Illinois State Toll Highway Authority (the Tollway), a component unit of the State of Illinois, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Tollway's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member of Nexia International

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Illinois State Toll Highway Authority as of December 31, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Matter

As discussed in Note 23 to the financial statements, the Tollway adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As a result of the implementation of this standard, the Tollway reported a restatement for a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4-12 and the required supplementary information in Schedules 1 through 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tollway's basic financial statements. The accompanying supplementary information in Schedules 4 and 5 and the notes to the trust indenture basis schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information in Schedules 4 and 5 and the notes to the trust indenture basis schedules is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information in Schedules 4 and 5 and the notes to the trust indenture basis schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Tollway as of and for the year ended December 31, 2017, (not presented herein), and we expressed unmodified opinions on those financial statements. Those audits were conducted for purposes of forming an opinion on the financial statements as a whole. The supplementary information in schedules 4 and 5 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the December 31, 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information for December 31, 2017 is fairly stated in all material respects in relation to the financial statements from which it has been derived.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
June 19, 2019

This section offers readers a discussion and analysis of the financial performance of the Illinois State Toll Highway Authority (the Tollway), provides an overview of its financial activities, and identifies changes in the Tollway's financial position as of and for the year ended December 31, 2018. Readers should use this section of this report in conjunction with the Tollway's basic financial statements.

Financial Highlights

- In August 2011, the Tollway's Board of Directors approved a $12.2 billion capital program, called "*Move Illinois: the Illinois Tollway Driving the Future*", which defined a program of infrastructure investments to be made by the Tollway in 2012 through 2026.
- In April 2017, the Tollway's Board of Directors approved a modification of the *"Move Illinois"* capital program, increasing the funding by $2.1 billion, to $14.3 billion, to provide for enhancements to the central portion of the Tri-State Tollway (Central Tri-State).
- To help fund the capital outlays approved for "*Move Illinois*", the Tollway Board set new toll rates for passenger vehicles using the Tollway system and these higher rates were effective January 1, 2012. The Tollway also affirmed a previously approved increase in commercial vehicle toll rates, which were phased in over 2015 – 2017, with an annual Consumer Price Index adjustment applied beginning January 1, 2018.
- During 2018, construction and professional engineering services contracts with a combined value of $853.1 million were awarded under this program, bringing total "Move Illinois" spending to date to $5.4 billion.
- A total of $2.8 billion of revenue bonds have been issued in 2013-2018 to fund the capital program.
- In addition to the "*Move Illinois*" capital program, the previously approved Congestion-Relief Program (CRP) provides for programmed capital investments. The CRP Program was approved in 2004, initiated in 2005, and included $5.7 billion in capital outlays. Awards under this program ended in 2016. The CRP program is substantially complete.
- In July 2016 and November 2017, the Tollway opened the new Illinois Route 390 Tollway. As of December 31, 2018, this tollway represents a 10-mile segment of the Elgin O'Hare Western Access Project. This is the first cashless roadway operated by the Tollway. This roadway accounted for approximately $34.9 million in toll revenue during 2018.
- The Tollway's 2018 operating revenue totaled $1.4 billion, an increase of $37.9 million from the previous year. Operating expenses increased $27.2 million (to $848.2 million) primarily due to depreciation expense. Net operating income for 2018 was $588.2 million, an increase of $10.7 million from 2017.
- Amounts on deposit on behalf of I-PASS account holders increased by 3.5% at year-end to $186.7 million; approximately 90.2% of toll transactions are paid via I-PASS.

Basic Financial Statements

The Tollway accounts for its operations and financial transactions in a manner similar to that used by private business enterprises: the accrual basis of accounting. In these statements, revenue is recognized in the period in which it is earned, and an expense is recognized in the period in which it is incurred, regardless of the timing of its related cash flow.

(Continued)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Tollway's basic financial statements. For each fiscal year, the Tollway's basic financial statements are comprised of the following:

- Statement of net position
- Statement of revenues, expenses and changes in net position
- Statement of cash flows
- Notes to the financial statements

The statement of net position presents information on all of the Tollway's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as net position. Increases or decreases in net position, over time, may serve as a useful indicator of whether the financial position of the Tollway is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents revenue and expense information and the change in the Tollway's net position during the measurement period as a result of these transactions.

The statement of cash flows presents sources and uses of cash for the fiscal year, displayed in the following categories: cash flows from operating activities, cash flows from capital and related financing activities, and cash flows from investing activities.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. They are an integral part of the basic financial statements.

(Continued)

Financial Analysis

2018 Results Compared to 2017

Operating Revenue

The Tollway's total 2018 operating revenues, totaling $1.4 billion, exceeded those of the previous year by $37.9 million (2.7%). This increase came from toll revenue which totaled $1.3 billion in 2018 (up $31.9 million (2.4% from 2017)), due to an increase in both commercial and passenger vehicle traffic and an increase in the commercial vehicle toll rates. Revenue from toll evasion recovery was also higher (7.4%) than 2017, at $70.5 million in 2018 (versus $65.6 million in 2017). Miscellaneous income in 2018 was $1.3 million higher than 2017, due mainly to increased I-PASS transponder replacement revenue due to forfeited deposits on transponders not returned.

Concessions revenue remained fairly consistent year over year.

Operating Expenses

Operating expenses, excluding depreciation, remained consistent from 2017 to 2018.

Depreciation and amortization expense increased by 6.7% to $446.2 million, from $418.3 million, in 2017. The resulting net operating income for the year, $588.2 million, increased by $10.7 million from the previous year.

Nonoperating Revenues (Expenses)

Nonoperating revenue increased by $11.3 million, due almost entirely to increased investment returns. Again, this year the Tollway received an interest rebate from the U.S. Department of the Treasury relating to bonds which were issued as Build America Bonds. The 2018 rebate totaled $15.2 million, substantially the same as 2017.

Nonoperating expenses increased by $24.2 million, due mainly to increased interest and amortization of financing costs.

The net nonoperating revenues (expenses) increased this year by 5.8% from ($221.5) million in 2017 to ($234.4) million for 2018, due to the variances noted above.

(Continued)

Summary of Changes in Net Position

	2018	2017
REVENUES:		
Operating revenues:		
Toll revenue	$ 1,341,051,225	$ 1,309,189,509
Toll evasion recovery	70,468,847	65,639,705
Concessions	2,151,574	2,298,943
Miscellaneous	22,731,739	21,369,597
Nonoperating revenues:		
Investment income	34,389,290	14,054,336
Revenues under intergovernmental agreements	11,323,831	20,380,791
Bond interest subsidy (Build America Bonds)	15,204,506	15,147,651
Total revenues	1,497,321,012	1,448,080,532
EXPENSES:		
Operating expenses:		
Engineering and maintenance of roadway and structures	107,851,143	109,202,332
Services and toll collection	181,194,076	186,569,358
Traffic control, safety patrol, and radio communications	57,373,555	57,721,525
Procurement, IT, finance and administration	55,591,666	49,197,494
Depreciation & Amortization	446,202,899	418,311,759
Nonoperating expenses:		
Expenses under intergovernmental agreements	11,323,831	20,380,791
Net loss on disposal of property	1,006,741	1,497,506
Miscellaneous	360	360
Interest expense and amortization of financing costs	282,950,519	249,172,855
Total expenses	1,143,494,790	1,092,053,980
Increase in net position	353,826,222	356,026,552
Net position, beginning of year, as restated	2,722,658,376	2,512,160,131
Net position, end of year	$ 3,076,484,598	$ 2,868,186,683

Changes in Net Position

Net operating income increased in 2018 by $10.7 million to $588.2 million. After deducting this year's net nonoperating expense of $234.4 million, the Tollway posted an increase in net position for the year of $353.8 million compared to $356.0 million increase in net position for 2017. After this year's result, the Tollway's net position totaled $3.1 billion.

Summary of Net Position

	December 31, 2018	December 31, 2017
ASSETS		
Current and other assets	$ 2,108,975,928	$ 2,263,251,093
Capital assets - net	9,086,240,066	8,598,693,141
Total Assets	11,195,215,994	10,861,944,234
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	107,496,079	208,387,270
Net loss on bond refundings	71,671,157	80,795,401
Pension related	89,803,912	144,018,700
OPEB related	36,717,549	-
Total Deferred Outflows of Resources	305,688,697	433,201,371
LIABILITIES		
Current debt outstanding	118,780,000	113,160,000
Long-term debt outstanding	6,324,830,720	6,473,874,955
Other liabilities	1,889,575,515	1,788,273,392
Total Liabilities	8,333,186,235	8,375,308,347
DEFERRED INFLOWS OF RESOURCES		
Pension related	50,540,783	51,650,575
OPEB related	40,693,075	-
Total Deferred Inflows of Resources	91,233,858	51,650,575
NET POSITION		
Net investment in capital assets	2,672,245,715	2,057,158,939
Restricted under trust indenture agreements	452,437,721	427,284,480
Restricted for supplemental pension benefits obligations	47,147	48,162
Unrestricted	(48,245,985)	383,695,102
Total Net Position	$ 3,076,484,598	$ 2,868,186,683

Statement of Net Position

The Tollway's capital assets ($9.1 billion) consisting of land, buildings, infrastructure, and equipment, constitutes 79.0% of total assets and deferred outflows of resources. The largest liabilities are revenue bonds totaling $6.4 billion, (inclusive of unamortized premiums/discounts), net pension liability of $882.5 million and net other postretirement employment benefits (OPEB) liability of $140.1 million, which together constitute 88.6% of total liabilities and deferred inflows of resources. The restricted net position balance, totaling $452.5 million, consists of resources subject to external restrictions or legislation as to their use. The remaining portion, unrestricted net position, represents the resources available to be used at the Tollway's discretion.

(Continued)

The Tollway's assets increased by 3.1% to $11.2 billion, from $10.9 billion at December 31, 2017. This increase was mainly due to an increase in capital assets.

Total liabilities decreased by 0.5% to $8.3 billion, from $8.4 billion at December 31, 2017. This decrease was mainly due to bond principal payments of $113.2 million during 2018, offset by a $48.4 million increase in accounts payable and accrued liabilities as of December 31, 2018.

The Tollway's beginning net position was restated to reflect the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The restatement reduced net position as of January 1, 2018 by $145.5 million. After posting the Tollway's favorable net operating result of $353.8 million, the December 31, 2018 net position increased by $208.3 million.

Capital Assets and Debt Administration

Capital Assets

Capital assets continue to represent the largest category of Tollway assets, totaling $9.1 billion at year-end ($8.6 billion at 12/31/2017) comprising 79.0% of total Tollway assets and deferred outflow of resources. As the Tollway continues the *"Move Illinois"* capital program to expand and rebuild the Tollway system, land and infrastructure assets continue to increase. See the accompanying Notes to the Financial Statements – Notes 1 and 6 – for further information about capital assets.

CAPITAL ASSETS
2018 and 2017

	January 1, 2018 Net Balance	2018 Net Activity	2018 Depreciation	December 31, 2018 Net Balance
Land	$ 566,635,017	$ 47,990,703	$ -	$ 614,625,720
Construction in progress	695,130,779	535,501,096	-	1,230,631,875
Buildings	14,480,232	39,239	(1,118,395)	13,401,076
Infrastructure	7,182,449,126	241,780,806	(380,466,831)	7,043,763,101
Machinery and equipment	139,997,987	67,028,029	(23,207,722)	183,818,294
Total	$ 8,598,693,141	$ 892,339,873	$ (404,792,948)	$ 9,086,240,066

	January 1, 2017 Net Balance	2017 Net Activity	2017 Depreciation	December 31, 2017 Net Balance
Land	$ 482,976,344	$ 83,658,673	$ -	$ 566,635,017
Construction in progress	835,490,839	(140,360,060)	-	695,130,779
Buildings	15,231,291	372,576	(1,123,635)	14,480,232
Infrastructure	6,726,847,777	767,660,493	(312,059,144)	7,182,449,126
Machinery and equipment	143,411,467	20,901,744	(24,315,224)	139,997,987
Total	$ 8,203,957,718	$ 732,233,426	$ (337,498,003)	$ 8,598,693,141

Long-Term Debt

At year-end 2018, as compared to year-end 2017, total revenue bonds payable decreased by $143.4 million (to $6.4 billion), primarily the result of bond principal payments.

All Tollway bonds outstanding as of December 31, 2018 were issued under the Amended and Restated Trust Indenture effective as of March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (as amended, restated, and supplemented, the Trust Indenture) from the Tollway to the Bank of New York Mellon Trust Company, N.A., as successor Trustee (the Trustee). The Trustee serves as a fiduciary for bondholders. The amount of additional senior bonds that the Tollway may issue at any time is limited by the Trust Indenture requirement that the projected Net Revenues are sufficient to meet the estimated Net Revenue Requirement for each full fiscal year through five years after the date the project being financed is estimated to be placed in service, after giving effect to the debt service attributable to such additional senior bonds. The Net Revenue Requirement is the amount necessary to cure deficiencies, if any, in the debt service and debt reserve accounts established under the Trust Indenture, plus the greater of (i) the sum of Aggregate Debt Service on Senior Bonds, the Junior Bond Revenue Requirement, and the Renewal and Replacement Deposit for such period, and (ii) 1.3 times the Aggregate Debt Service on Senior Bonds for such period (all capitalized terms as defined in the Trust Indenture). Under the terms of the Trust Indenture the revenue bond debt service coverage ratio for 2018 was 2.64.

The following table lists, as of December 31, 2018, the Tollway's bond series and the current and noncurrent amounts outstanding. Amounts presented in this table exclude unamortized bond premiums.

	December 31, 2018		
Revenue bonds payable:	**Noncurrent**	**Current**	**Total**
Issue of 2007 Series A-1	$ 350,000,000	$ -	$ 350,000,000
Issue of 2007 Series A-2	350,000,000	-	350,000,000
Issue of 2008 Series A-1	379,200,000	2,000,000	381,200,000
Issue of 2008 Series A-2	94,825,000	500,000	95,325,000
Issue of 2009 Series A	478,060,000	21,940,000	500,000,000
Issue of 2009 Series B	280,000,000	-	280,000,000
Issue of 2010 Series A-1	276,560,000	1,260,000	277,820,000
Issue of 2013 Series A	500,000,000	-	500,000,000
Issue of 2014 Series A	290,850,000	87,870,000	378,720,000
Issue of 2014 Series B	500,000,000	-	500,000,000
Issue of 2014 Series C	400,000,000	-	400,000,000
Issue of 2014 Series D	243,345,000	5,210,000	248,555,000
Issue of 2015 Series A	400,000,000	-	400,000,000
Issue of 2015 Series B	400,000,000	-	400,000,000
Issue of 2016 Series A	333,060,000	-	333,060,000
Issue of 2016 Series B	300,000,000	-	300,000,000
Issue of 2017 Series A	300,000,000	-	300,000,000
Total revenue bonds payable	$ 5,875,900,000	$ 118,780,000	$ 5,994,680,000

Other Debt−Related Information

The 2007 Series A-1 and A-2, and 2008 Series A-1 and A-2 bonds were issued as variable rate bonds. In connection with the issuance of these variable rate series, the Tollway entered into eight separate floating-to-fixed interest rate exchange (swap) agreements in total notional amounts and amortizations matching the total principal amounts and amortizations of the Tollway's two variable rate bond issues. Six swap agreements are outstanding as of December 31, 2018. As of December 31, 2018, two swap agreements in notional amounts totaling $350 million are associated with the 2007 Series A-1 and two swap agreements in notional amounts totaling $350 million are associated with the 2007 Series A-2 bonds. One of two swap agreements associated with the 2007 Series A-2 Bonds, in the notional amount of $262.5 million, was terminated in connection with a refunding of a portion of the 2007 Series A-2 Bonds on January 10, 2019 (see Note 22 – Subsequent Events). As of December 31, 2018, two swap agreements in notional amounts totaling $285.9 million are associated with the 2008 Series A-1 and A-2 bonds. One of two swap agreements associated with the 2008 Series A-1 Bonds, in notional amount of $189.6 million, was terminated in connection with a refunding of a portion of the 2008 Series A-1 Bonds on January 10, 2019 (see Note 22 – Subsequent Events). The Tollway utilized these swap agreements in order to hedge against rising interest rates and to reduce its borrowing rate (as compared to the borrowing rates obtainable through fixed rate bonds).

The risks associated with these types of arrangements and the strategies employed by the Tollway to mitigate those risks are discussed in Note 9 of the financial statements. As of December 31, 2018, fair market value analyses of the swap agreements estimate that if the Tollway had terminated the swap contracts on that date, the Tollway would have been required to make payments, net of accrued interest, of: a total of $68.3 million for the four 2007 Series A-1 and A-2 swap agreements; and a total of $39.2 million for the two 2008 Series A-1 and A-2 swap agreements.

As more fully described in Note 8, as of December 31, 2018, each of the Tollway's six sub-series of 2007 Series A variable rate bonds was liquidity supported by a letter of credit that qualified as a Credit Facility under the Supplemental Indenture for the 2007 Series A Bonds. As more fully described in Note 8, as of December 31, 2018, each of two of the Tollway's three sub-series of 2008 Series A variable rate bonds was liquidity supported by a standby bond purchase agreement that qualified as a Liquidity Facility under the Supplemental Indenture for the 2008 Series A Bonds, and the other sub-series of 2008 Series A variable rate bonds was purchased for a three year period scheduled to end on February 3, 2020, pursuant to the terms of a Bondholder Agreement. No Tollway bonds were held by a provider of a Liquidity Facility or Credit Facility in 2018.

Factors Impacting Future Operations

During 2018, the Tollway progressed on the $14.3 billion "*Move Illinois"* capital program. Land acquisition, design and construction work continued for the Elgin-O'Hare Western Access Project and for the widening of the Central Tri-State Tollway. The Tollway forecasts that for the 15-year span of the "*Move Illinois"* Program, about 60% of the program's costs are expected to be funded by toll revenues.

Contacting the Tollway's Financial Management

This financial report is designed to provide our customers, bondholders, employees and other stakeholders with an overview of the Tollway's finances and to demonstrate the Tollway's accountability for the funds it receives and deploys. Questions concerning this report or requests for additional financial information should be directed to the Controller, The Illinois State Toll Highway Authority, 2700 Ogden Avenue, Downers Grove, Illinois 60515.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
(A Component Unit of the State of Illinois)

Statement of Net Position
December 31, 2018

Assets

Current assets:		
Current unrestricted assets:		
Cash and cash equivalents	$	199,600,575
Accounts receivable, less allowance for doubtful accounts of $72,411,506		20,223,377
Intergovernmental receivables		31,183,431
Accrued interest receivable		54,310
Risk management cash and cash equivalents		14,392,647
Investments		870,567,178
Prepaid expenses		3,039,152
Total current unrestricted assets		1,139,060,670
Current restricted assets:		
Cash and cash equivalents - debt service		178,457,419
Cash and cash equivalents - I-PASS accounts		186,712,910
Prepaid expenses restricted for debt service		141,818
Accrued interest receivable		1,024,313
Supplemental pension benefits assets		31,322
Total current restricted assets		366,367,782
Total current assets		1,505,428,452
Noncurrent unrestricted assets:		
Capital assets:		
Land, improvements and construction in progress		1,845,257,595
Other capital assets, net of accumulated depreciation		7,240,982,471
Total capital assets		9,086,240,066
Other noncurrent unrestricted assets:		
Intergovernmental receivable less current portion		212,200,376
Prepaid expenses less current portion		393,883
Total noncurrent unrestricted assets		212,594,259
Noncurrent restricted assets:		
Cash and cash equivalents - debt reserve		1,462,295
Investments - debt reserve		385,000,000
Prepaid expenses - debt reserve		2,896,551
Prepaid expenses - debt service - less current portion		1,559,998
Supplemental pension benefits assets		34,373
Total noncurrent restricted assets		390,953,217
Total assets		11,195,215,994

Deferred Outflows of Resources

Accumulated decrease in fair value of hedging derivatives		107,496,079
Net loss on bond refundings		71,671,157
Deferred outflows of resources - pension related		89,803,912
Deferred outflows of resources - OPEB related		36,717,549
Total deferred outflows of resources	$	305,688,697

See accompanying notes to the financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
(A Component Unit of the State of Illinois)

Statement of Net Position
December 31, 2018

Liabilities

Liabilities:	
Current liabilities:	
Payable from unrestricted current assets:	
Accounts payable	$ 39,624,446
Accrued liabilities	214,267,783
Accrued compensated absences	6,100,000
Intergovernmental agreement payable	126,098,774
Risk management claims payable	6,794,696
Deposits and retainage	42,054,788
Unearned revenue, net of accumulated amortization of $1,921,461	1,196,815
Total current liabilities payable from unrestricted current assets	436,137,302
Payable from current restricted assets:	
Supplemental pension benefit obligation	18,548
Current portion of revenue bonds payable	118,780,000
Accrued interest payable	117,853,895
Deposits and unearned revenue – I-PASS accounts	186,712,910
Total current liabilities payable from current restricted assets	423,365,353
Total current liabilities	859,502,655
Noncurrent liabilities:	
Revenue bonds payable, less current portion	6,324,830,720
Accrued compensated absences	3,450,254
Risk management claims payable	7,904,210
Net pension liability	882,540,010
Net OPEB liability	140,125,903
Derivative instrument liability	107,496,079
Unearned revenue, less accumulated amortization of $29,469,170	7,336,404
Total noncurrent liabilities	7,473,683,580
Total liabilities	8,333,186,235

Deferred Inflows of Resources

Deferred inflows of resources - pension related	50,540,783
Deferred inflows of resources - OPEB related	40,693,075
Total deferred inflows of resources	91,233,858

Net Position

Net position:	
Net investment in capital assets	2,672,245,715
Restricted under the Trust Indenture	452,437,721
Restricted for supplemental pension benefits obligations	47,147
Unrestricted (note 23)	(48,245,985)
Total net position	$ 3,076,484,598

See accompanying notes to the financial statements.

(Continued)

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
(A Component Unit of the State of Illinois)

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2018

Operating revenues:	
Toll revenue	$ 1,341,051,225
Toll evasion recovery	70,468,847
Concessions	2,151,574
Miscellaneous	22,731,739
Total operating revenues	1,436,403,385
Operating expenses:	
Engineering and maintenance of roadway and structures	107,851,143
Services and toll collection	181,194,076
Traffic control, safety patrol and radio communications	57,373,555
Procurement, IT, finance and administration	55,591,666
Depreciation and amortization	446,202,899
Total operating expenses	848,213,339
Operating income	588,190,046
Nonoperating revenues (expenses):	
Revenues under intergovernmental agreements	11,323,831
Expenses under intergovernmental agreements	(11,323,831)
Net loss on disposal of property	(1,006,741)
Interest (expense) and amortization of financing costs	(282,950,519)
Bond interest subsidy (Build America Bonds)	15,204,506
Miscellaneous revenue (expense)	(360)
Investment income	34,389,290
Total nonoperating revenues (expenses), net	(234,363,824)
Change in net position	353,826,222
Net position, beginning of year, as restated (note 23)	2,722,658,376
Net position, end of year	$ 3,076,484,598

See accompanying notes to the financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
(A Component Unit of the State of Illinois)

Statement of Cash Flows
For the Year Ended December 31, 2018

Cash flows from operating activities:		
Cash received from sales and services	$	1,446,663,247
Cash payments to suppliers		(171,523,593)
Cash payments to employees		(171,045,075)
Net cash provided by operating activities		1,104,094,579
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		(900,582,453)
Cash received from other governments for capital assets		14,885,290
Proceeds from sale of property		931,997
Principal paid on revenue bonds		(113,160,000)
Bond subsidy (Build America Bonds)		15,204,506
Interest paid on revenue bonds		(298,597,047)
Net cash used in capital and related financing activities		(1,281,317,707)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments		56,000,000
Purchase of investments		(35,490,000)
Interest on investments		31,591,666
Net cash provided by/(used in) investing activities		52,101,666
Net increase/(decrease) in cash and cash equivalents		(125,121,462)
Cash and cash equivalents at beginning of year		705,813,002
Cash and cash equivalents at end of year	$	580,691,540
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	$	199,600,575
Risk management reserved cash and cash equivalents		14,392,647
Cash and cash equivalents restricted for debt service and debt reserve		179,919,714
Cash and cash equivalents restricted for I-PASS accounts		186,712,909
Supplemental pension benefit assets		65,695
Total cash and cash equivalents at end of year	$	580,691,540

See accompanying notes to the financial statements.

(Continued)

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
(A Component Unit of the State of Illinois)

Statement of Cash Flows
For the Year Ended December 31, 2018

Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	588,190,046
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		446,202,899
Provision for bad debt		16,946,865
Amortization of unearned revenue		(1,797,928)
Pension adjustment		47,188,232
Other postemployment benefits adjustment		(1,426,878)
Effects of changes in operating assets and liabilities:		
(Increase) in accounts receivable		(15,554,460)
Decrease in intergovernmental receivables		2,118,549
Decrease in prepaid expenses		600,507
Increase in accounts payable		1,285,707
Increase in accrued liabilities		10,897,541
Increase in accrued compensated absences		89,833
(Decrease) in supplemental pension obligation		(27,822)
Increase in intergovernmental agreement payable		4,362,774
Increase in deposits - I-PASS accounts		6,291,294
(Decrease) in unearned revenue		(101,009)
(Decrease) in risk management claims payable		(1,171,571)
Net cash provided by operating activities	$	1,104,094,579
Noncash capital and related financing activities:		
Increase (decrease) in capital asset obligations in accounts payable	$	33,799,735

See accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

The accounting policies and financial reporting practices of The Illinois State Toll Highway Authority (the Tollway) conform to accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB).

(a) Financial Reporting Entity

The Tollway, a component unit of the State of Illinois, was created by an Act of the General Assembly of the State of Illinois – the Toll Highway Act, 605 ILCS 10/1 *et seq.*, as amended (the Act) – for the purpose of constructing, operating, regulating, and maintaining a toll highway or a system of toll highways and, in connection with the financing of such projects, is authorized to issue revenue bonds which shall be retired from revenues derived from the operation of the Tollway. Under the provisions of the Act, no bond issue of the Tollway, or any interest thereon, is an obligation of the State of Illinois. In addition, the Tollway is empowered to issue refunding bonds for the purpose of refunding any revenue bonds issued under the provisions of the Act.

The enabling legislation empowers the Tollway's Board of Directors with duties and responsibilities which include, but are not limited to, the ability to approve and modify the Tollway's budget, the ability to approve and modify toll rates and fees charged for use of the Tollway system, the ability to employ and discharge employees as necessary in the judgment of the Tollway, and the ability to acquire, own, use, hire, lease, operate, and dispose of personal property, real property, and any interest therein.

Component units are separate legal entities for which the primary government is legally accountable. The Tollway is a component unit of the State of Illinois for financial reporting purposes because exclusion would cause the State's financial statements to be incomplete. The governing body of the Tollway is an 11 member Board of Directors of which nine members are appointed by the Governor of Illinois with the advice and consent of the Illinois Senate. The Governor and the Secretary of the Illinois Department of Transportation are also ex-officio members of the Tollway's Board of Directors. Information from these financial statements is included in the State's comprehensive annual financial report. The Tollway itself does not have any component units.

(b) Basis of Accounting

The Tollway accounts for its operations and financing in a manner similar to a private business enterprises; the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Accordingly, the Tollway is accounted for as a proprietary fund (enterprise fund) using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, all assets and all liabilities associated with the Tollway's operations are included in the statement of net position. Revenue is recognized in the period in which it is earned and expenses are recognized in the period in which incurred.

Nonexchange transactions, in which the Tollway receives value without directly giving equal value in return, include fines for toll evasion.

(c) Cash and Cash Equivalents

With the exception of $59.8 million in locally held funds and cash on hand at December 31, 2018, all cash and cash equivalents are held for the Tollway either by the Illinois State Treasurer (the Treasurer) as custodian or by the Trustee under the Tollway's Trust Indenture.

For purposes of the statement of net position and the statement of cash flows, the Tollway considers repurchase agreements, money market funds, and the Illinois Funds local government investment pool (LGIP), as cash equivalents.

(d) Investments

The Tollway reports investments at fair value or amortized cost in its statement of net position with the corresponding changes in fair value being recognized as an increase or decrease to nonoperating revenue in the statement of revenues, expenses and changes in net position. All investments are held for the Tollway either by the Treasurer as custodian or by the Trustee under the Tollway's Trust Indenture.

The primary objective in the investment of Tollway funds is preservation of principal. Additional objectives are managing liquidity to meet the financial obligations of the Tollway and investment return.

Investments in the Illinois Funds LGIP, sponsored by the Treasurer in accordance with Illinois state law that is rated AAAm by Standard & Poor's rating agency, is reported at amortized cost which is equal to the value of the pool shares. Other funds held for the Tollway by the Treasurer are invested in U.S. Treasury and agency issues which are valued at fair value or par. Repurchase agreements held for the Tollway by the Treasurer are recorded at face value which approximates fair value. State statute requires that all investments comply with the Illinois Public Funds Investment Act.

The Trust Indenture authorizes the Tollway to invest in U.S. Treasury and agency issues, money market funds comprised of U.S. Treasury and agency issues, repurchase agreements thereon, time deposits, and certificates of deposit. All funds held by the Tollway's Trustee were held in compliance with these restrictions for the year ended December 31, 2018.

(e) Accounts Receivable

The Tollway's accounts receivable consist of various toll charges and amounts due from individuals and commercial, governmental, and other entities. A provision for doubtful accounts has been recorded for the estimated amount of uncollectible accounts.

(f) Prepaid Expenses and Inventory

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The Tollway's inventory items consist mostly of consumable supplies that are quickly turned over and therefore the payments for such are directly expensed.

(g) Noncurrent Cash and Investments

Cash and investments that are externally restricted for reserve funds or for the purchase or construction of capital or other noncurrent assets are classified as noncurrent assets in the statement of net position.

(h) Capital Assets

Capital assets include the historical cost of land and improvements, easements, roadway and transportation structures (infrastructure), buildings and related improvements, machinery, equipment and software with a cost exceeding $5,000. (Projects whose individual components are less than $5,000 but in their entirety are greater than $5,000 may be capitalized at the discretion of the Tollway). Most expenses for the maintenance and repairs to the roadway and transportation structures, buildings, and related improvements are charged to operations when incurred. All expenses for land, buildings, infrastructure, and construction in progress that increase the value or productive capacities of assets are capitalized. Capital assets are depreciated using the straight-line method of depreciation over the asset's useful life, as follows:

Buildings	20 Years
Infrastructure	5 to 40 Years
Machinery, equipment and software	3 to 20 Years

(i) Leases

The Tollway makes a distinction between 1) capital leases that effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and 2) operating leases under which the lessor effectively retains all such risks and benefits. The Tollway was not a party to any capital leases during the year.

Operating leases are accounted for as an operating revenue or expense, depending on whether the Tollway is the lessor or lessee.

(j) Long-Term Accounts Receivable

In the course of business, the Tollway may enter into contracts with various parties that call for payments to the Tollway to be made at a date more than one year in the future. These receivables are classified as long-term. See Note 7 for a description of these receivables.

(k) Debt Refunding

In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow or inflow of resources and recognized as a component of interest expense systematically over the remaining life of the old debt or the life of the new debt, whichever is shorter.

(l) Unearned Revenue

The Tollway recognizes revenue when earned. Amounts received in advance of the periods in which related services are rendered are recorded as an unearned revenue liability in the statement of net position. See Note 10.

(m) Pensions

Substantially all of the Tollway's employees participate in the State Employee Retirement System (SERS), a single-employer, public employee defined benefit pension plan of the State of Illinois, as more fully described in Note 12.

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense have been recognized in the Tollway's financial statements.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plan's fiduciary net position. The pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments.

Additionally, the pension expense includes the annual recognition of deferred outflows and inflows of resources related to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, expense and expenditures associated with the Tollway's contribution requirements, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

(n) Adoption of New Accounting Pronouncements

Effective for the year ended December 31, 2018, the Tollway implemented GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for measuring and recording liabilities, deferred outflows of resources, deferred inflows of resources and expense related to postemployment benefits other than pensions.

The Standard requires the Tollway to report a liability on the face of the financial statements for the OPEB it provides and identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service.

In 2018, the Tollway implemented GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which requires that all interest costs be recognized as an expense in the current period. Prior to implementation, a portion of interest expense attributable to construction was required to be capitalized. GASB Statement No. 89 changed this requirement prospectively. As of December 31, 2018, the Tollway continues to amortize previously capitalized interest with an unamortized balance of $145.9 million.

(o) Swap Agreements

In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the Tollway records changes in fair values of the hedging derivative instruments (swaps) as deferred outflows of resources or deferred inflows of resources in the statement of net position. See Note 9.

(p) Net Position

The statement of net position presents the Tollway's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for revenue bonds and other debt that is attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of net positions that do not meet the criteria of the two preceding categories.

At December 31, 2018, restrictions on net position consisted of:

Restricted for Supplemental Pension Obligation reflects monies set aside for a retirement plan established in 1990 and suspended in 1994.

Restricted under the Trust Indenture reflects restrictions imposed by the Tollway's Trust Indenture.

(q) Toll Revenue

Toll revenue is recognized when the transaction occurs. The fines attributed to toll evasion recovery are recorded as revenue when received in cash. Both tolls and fines recovered under the evasion recovery enforcement system are recorded as toll evasion recovery revenue.

(r) Classification of Operating Revenues and Expenses

The Tollway's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its Tollway system, including the Tollway's allocated share of SERS' pension expense pursuant to GASB Statement No. 68 and 71 and the Tollway's allocated share of the State of Illinois' postemployment benefits liability. All other revenues and expenses are reported as nonoperating revenues and expenses or as special items.

Toll evasion recovery revenue is shown net of bad debt expense; concession revenue only includes oasis revenue.

The majority of the Tollway's expenses are exchange transactions, which GASB defines as operating expenses for financial statement presentation purposes. Nonoperating expenses include transfers under intergovernmental agreements and capital financing costs.

(Continued)

Employee benefits and retirement costs have been allocated to functional expense categories within these statements on the basis of gross payroll for each category of functional expense.

(s) Risk Management

The Tollway has self-insured risk retention programs with stop-loss limits for current employee group health and self-insured reserves for workers' compensation claims and has provided accruals for estimated losses arising from such claims. See Note 14.

(t) Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

(a) Custodial Credit Risk – Deposits

Custodial credit risk is the risk that an institution holding the Tollway's deposits may fail and expose the Tollway to a loss if the Tollway's deposits cannot be returned upon maturity or demand. State law (30 ILCS 230/2C) requires that all deposits of public funds be covered by the Federal Deposit Insurance Corporation (FDIC) insurance or eligible collateral. The Tollway has no policy that would further limit the requirements under state law. As of December 31, 2018, the Tollway's deposits were covered by FDIC insurance or eligible collateral.

(b) Schedule of Investments

As of December 31, 2018, the carrying value of the Tollway's investments (with associated maturities) is as follows:

	Investment Maturities (in years)		
Investment Type	**Fair Value or Amortized Cost**	**Less Than 1**	**1 - 5**
Repurchase agreements	$ 131,490,000	$ 131,490,000	$ -
Money market funds*	205,056,150	205,056,150	-
U.S. Treasury bills	771,095,027	771,095,027	-
U.S. Treasury - SLGS	385,000,000	150,000,000	235,000,000
Federal Home Loan Bank	99,472,150	99,472,150	-
Illinois Funds LGIP*	208,632,684	208,632,684	-
	$ 1,800,746,011	$ 1,565,746,011	$ 235,000,000

* Weighted average maturity is less than one year.

For purposes of the statement of net position, the repurchase agreements, money market funds, and Illinois Funds LGIP are classified as cash equivalents.

The Tollway categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Tollway has the following recurring fair value measurements as of December 31, 2018:

Investment Type	**Total**	**Level 1**
U.S. Treasury Bills	$ 771,095,028	$ 771,095,028
Federal Home Loan Bank	99,472,150	99,472,150
	$ 870,567,178	$ 870,567,178

Repurchase agreements, money market funds, U.S. Treasury - SLGS, and Illinois Funds LGIP are measured at amortized cost.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses from rising interest rates, and as a means of managing liquidity, the Tollway's investment policy requires that the majority of Tollway funds, excluding bond proceeds, be invested in instruments with maturities of less than one year. No investment is to exceed a 10-year maturity.

(d) Credit and Concentration Risks

Credit risk is the risk that the Tollway will not recover its investments due to the inability of the issuer to fulfill its obligation. The Tollway's investment policy limits investment of Tollway funds to: securities guaranteed by the United States government; obligations of agencies and instrumentalities of the United States; interest-bearing savings accounts, certificates of deposit, or bank time deposits with institutions which meet specified capitalization requirements; money market mutual funds registered under the Investment Company Act of 1940; the Illinois Funds LGIP; and repurchase agreements of government securities as defined in the Government Securities Act of 1986. The Tollway's investment policy further requires that the investment portfolio be diversified, as necessary to reduce the risk of loss in terms of specific maturity, specific issuer, or specific class of securities. Final maturities are limited to ten years; the majority of the Tollway's funds, excluding bond proceeds, are to be invested in maturities of less than one year. The Tollway was in compliance with these policies during 2018.

For the year ended December 31, 2018, the Tollway's investments in debt securities (or the securities underlying the repurchase agreements) were rated by Moody's and Standard & Poor's as follows:

	2018 (Moody's/S&P)	
Investment Type	Fair Value or Amortized Cost	Rating
Repurchase agreements	$ 131,490,000	Aaa/AA+u
Money market funds	205,056,150	Aaa-mf/AAAm
U.S. Treasury bills	771,095,028	Aaa/AA+u
U.S. Treasury - SLGS	385,000,000	Aaa/AA+u
Federal Home Loan Bank	99,472,150	Aaa/AA+
Illinois Funds LGIP	208,632,684	N/R/AAAm

(3) Accounts Receivable

The Tollway's accounts receivable consist of various toll charges and other amounts due from individuals, commercial, governmental, and other entities. A provision for doubtful accounts has been recorded for estimated uncollectible amounts. As of December 31, 2018, the Tollway's accounts receivable balance consists of the following:

	Gross accounts receivables	Allowance for doubtful accounts	Net accounts receivable
Tolls	$ 12,357,259	$ (6,172,880)	$ 6,184,379
Toll evasion recovery	76,108,400	(63,126,863)	12,981,537
Oases receivables	143,277	-	143,277
Damage claims	373,091	(339,884)	33,207
Over dimension vehicle permit	238,062	(57,777)	180,285
Fiber optic agreements	962,012	(407,572)	554,440
Other	2,452,782	(2,306,530)	146,252
Total non-governmental receivables	92,634,883	(72,411,506)	20,223,377
Various local and municipal government	75,771,500	-	75,771,500
E-Z Pass Agency Group	22,526,931	-	22,526,931
Illinois Department of Transportation	145,085,376	-	145,085,376
Total intergovernmental receivables	243,383,807	-	243,383,807
Total receivables	$ 336,018,690	$ (72,411,506)	$ 263,607,184

(4) Prepaid Expenses

In the normal course of business, the Tollway pays for goods and services that will be consumed beyond the current year. These are established as prepaid expenses. As of December 31, 2018, the Tollway had $8.0 million in prepaid expenses. These are categorized as both current and noncurrent.

(5) Leases Receivable

During 2002, the Tollway, as lessor, entered into two 25-year lease agreements for the oasis system (a retail lease and a fuel lease). Under the terms of each lease, the lessee became financially responsible for rebuilding and remains responsible for renovating the oases structures. At the end of each lease, ownership of the improvements reverts to the Tollway. In the retail lease, the lessee is responsible for the payment of all expenses associated with administration and operation of the facilities including the securing of tenants. In the fuel lease, the lessee is responsible for the operation of the service station and car wash facilities.

The fuel lease agreement set up a three step environmental program for the oases: (1) was remediation by the Tollway of the pre-existing contamination and establishing a baseline for contamination; (2) was remediation of contamination caused by the lessee(s) during the lease period; and (3) was a post-lease testing regimen and remediation to the base line by the lessee(s). This agreement ensured that the oasis system was in compliance with environmental laws when the property was leased, and that lessee(s) would be in compliance during the term of the lease. The Tollway was solely financially responsible for the remediation program for all environmental releases prior to the lease commencement date. Additionally, the Tollway conducted post-remediation testing to establish the baseline. The Tollway completed the remediation program, but is awaiting approval of one remaining “No Further Remediation (NFR)” letter from the Illinois Environmental Protection Agency (IEPA) for the Lincoln Oasis South location. NFR letters have been received by the Tollway for all pre-lease remediation sites that are the responsibility of the Tollway, except for the Lincoln Oasis South location. The Tollway believes that the remaining NFR letters for the pre-lease remediation will be issued without further material remediation costs being incurred. Any environmental releases during the lease are solely the responsibility of the lessee(s). Furthermore, any remediation necessary after the lease to bring the site back to pre-lease conditions are the responsibility of the lessee(s). Finally, the lease requires that the fuel tanks and related equipment be removed at the end of the lease and all costs associated with the removal will be the responsibility of the lessee(s).

The future minimum lease payments receivable under these agreements as of December 31, 2018 are as follows:

Year Ending December 31	Retail Lease	Fuel Lease	Total Leases
2019	$ 607,143	$ 900,250	$ 1,507,393
2020	607,143	689,582	1,296,725
2021	607,143	689,582	1,296,725
2022	607,143	689,582	1,296,725
2023	607,143	689,582	1,296,725
Thereafter	2,023,806	2,087,939	4,111,745
	$ 5,059,521	$ 5,746,517	$ 10,806,038

The future minimum leases receivable do not include contingent rents that may be owed under these leases should the lessees generate revenues in excess of specific target amounts.

The future minimum lease amounts above will be treated as revenue in the year they are earned.

In connection with the Central Tri-State widening and reconstruction, several of the oasis sites have been closed for demolition. The minimum lease commitments schedule above reflects these closures.

(6) Capital Assets

Changes in capital assets for the year ended December 31, 2018, are as follows:

	Balance at Jan 1, 2018	Additions and transfers in	Deletions and transfers out	Balance at Dec 31, 2018
Nondepreciable capital assets:				
Land and improvements	$ 566,635,017	$ 49,368,912	$ (1,378,209)	$ 614,625,720
Construction in progress	695,130,779	768,478,529	(232,977,433)	1,230,631,875
Total nondepreciable capital ass	1,261,765,796	817,847,441	(234,355,642)	1,845,257,595
Depreciable capital assets				
Buildings	58,688,625	39,239	-	58,727,864
Infrastructure	10,449,710,584	278,242,776	(36,461,970)	10,691,491,390
Machinery and equipment	356,470,125	72,536,539	(5,508,510)	423,498,154
Total depreciable capital assets	10,864,869,334	350,818,554	(41,970,480)	11,173,717,408
Less accumulated depreciation				
Buildings	(44,208,393)	(1,118,395)	-	(45,326,788)
Infrastructure	(3,267,261,458)	(416,928,801)	36,461,970	(3,647,728,289)
Machinery and equipment	(216,472,138)	(27,107,847)	3,900,125	(239,679,860)
Total accumulated depreciation	(3,527,941,989)	(445,155,043)	40,362,095	(3,932,734,937)
Total depreciable assets, net	7,336,927,345	(94,336,489)	(1,608,385)	7,240,982,471
Total capital assets, net	$ 8,598,693,141	$ 723,510,952	$ (235,964,027)	$ 9,086,240,066

(7) Long-Term Accounts Receivable

As of December 31, 2018, long-term accounts receivable consisted of the following:

Northwest Suburban Municipal Joint Action Water Agency (NSMJAWA)	$ 67,115,000
Illinois Department of Transportation	145,085,376
	$ 212,200,376

Long-term accounts receivable represent the noncurrent amount due under intergovernmental agreements for cost-sharing construction projects.

(8) Revenue Bonds Payable

Changes in revenue bonds payable for the year ended December 31, 2018 are as follows:

	Balance at Jan 1, 2018*	Additions	Deletions	Balance at Dec 31, 2018	Due within one year**
2007 Series A-1 & A-2	$ 700,000,000	$ -	$ -	$ 700,000,000	$ -
2008 Series A-1 & A-2	478,900,000	-	(2,375,000)	476,525,000	2,500,000
2009 Series A	500,000,000	-	-	500,000,000	21,940,000
2009 Series B	280,000,000	-	-	280,000,000	-
2010 Series A-1	279,300,000	-	(1,480,000)	277,820,000	1,260,000
2013 Series A	500,000,000	-	-	500,000,000	-
2013 Series B-1	93,305,000	-	(93,305,000)	-	-
2014 Series A	378,720,000	-	-	378,720,000	87,870,000
2014 Series B	500,000,000	-	-	500,000,000	-
2014 Series C	400,000,000	-	-	400,000,000	-
2014 Series D	264,555,000	-	(16,000,000)	248,555,000	5,210,000
2015 Series A	400,000,000	-	-	400,000,000	-
2015 Series B	400,000,000	-	-	400,000,000	-
2016 Series A	333,060,000	-	-	333,060,000	-
2016 Series B	300,000,000	-	-	300,000,000	-
2017 Series A	300,000,000	-	-	300,000,000	-
Totals	6,107,840,000	-	(113,160,000)	5,994,680,000	118,780,000
Current portion of revenue bonds payable	(113,160,000)	(118,780,000)	113,160,000	(118,780,000)	
Unamortized bond premium	479,194,955	-	(30,264,235)	448,930,720	
Revenue bonds payable net of current portion, plus unamortized bond premium	$ 6,473,874,955	$ (118,780,000)	$ (30,264,235)	$ 6,324,830,720	

* The January 1, 2018 balances are before any payments of principal due on January 1, 2018.

** Principal amounts either due within one year or for which required third-party liquidity is expiring within one year and was not renewed prior to report issuance date. As of December 31, 2018, there was no principal outstanding for which required third-party liquidity was scheduled to expire within one year and had not been renewed prior to report issuance.

(a) Series 2007A Bonds

On November 1, 2007, the Tollway issued $700,000,000 of Toll Highway Variable Rate Senior Priority Revenue Bonds (2007 Series A-1 and 2007 Series A-2) (collectively, the "Series 2007A Bonds"). This issuance was the third bond sale utilized to finance capital projects in the Congestion-Relief Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold at par and mature on July 1, 2030, subject to mandatory sinking fund redemption on July 1 of each of the years 2024 – 2029. The bonds were initially issued in a weekly interest rate mode and remained in a weekly mode through fiscal year end 2018. Interest rates are set pursuant to the terms of a remarketing agreement. While in the weekly mode, the bonds are subject to optional redemption by the Tollway and tender for purchase by bondholders. Any bonds tendered for purchase are remarketed pursuant to the terms of a remarketing agreement. On March 18, 2011, the Series 2007A Bonds were mandatorily tendered and remarketed as six separate sub-series. Each sub-series is secured by a direct-pay letter of credit that qualifies as a credit facility under the supplemental indenture for the Series 2007A Bonds. The following provides, as of December 31, 2018, additional information regarding each sub-series and its respective letter of credit.

(a)(i) Series 2007A-1a Bonds

On March 18, 2011, the Tollway remarketed $175,000,000 of the 2007 Series A-1 bonds as 2007 Series A-1a (the "Series 2007A-1a Bonds"). As of December 31, 2018, the Series 2007A-1a Bonds are secured by a direct-pay letter of credit from Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch, pursuant to the terms of the Reimbursement Agreement dated as of January 1, 2017 between the Tollway and such bank (the "2007A-1a Credit Facility"). The 2007A-1a Credit Facility provides up to $175,000,000 for payment of principal and up to $3,236,302 for payment of interest (equivalent to 45 days' accrued interest at 15%), including for the purpose of paying principal and interest on the purchase price of any bonds tendered, and not remarketed. To the extent the 2007A-1a Credit Facility is utilized to purchase bonds tendered and not remarketed, and to the extent such bonds continue to remain unremarketed for 180 days, then such funded bonds are required to be repaid by the Tollway in equal semi-annual principal installments commencing on the date 180 days following the date the bonds were purchased and ending on the date five years following the date the bonds were purchased. The cost of the 2007A-1a Credit Facility is a per annum fee of 30 basis points times the total stated amount of $178,236,302. The variable interest rate of the Series 2007A-1a Bonds as of December 31, 2018, was 1.78%. The 2007A-1a Credit Facility is scheduled to expire on January 30, 2022.

(a)(ii) Series 2007A-1b Bonds

On March 18, 2011, the Tollway remarketed $175,000,000 of the 2007 Series A-1 bonds as 2007 Series A-1b (the "Series 2007A-1b Bonds"). As of December 31, 2018, the Series 2007A-1b Bonds are secured by a direct-pay letter of credit from Bank of America, N.A., pursuant to the terms of the Reimbursement Agreement dated as of March 1, 2017 between the Tollway and such bank (the "2007A-1b Credit Facility"). The 2007A-1b Credit Facility provides up to $175,000,000 for payment of principal and up to $3,236,302 for payment of interest (equivalent to 45 days' accrued interest at 15%), including for the purpose of paying principal and interest on the purchase price of any bonds tendered, and not remarketed. To the extent the 2007A-1b Credit Facility is utilized to purchase bonds tendered and not remarketed, and to the extent such bonds continue to remain unremarketed for 91 days, then such funded bonds are required to be repaid by the Tollway in equal principal installments on the dates nine months after the date the bonds were purchased and each sixth months occurring thereafter, until the final payment on the date three years after the date the bonds were purchased. The cost of the 2007A-1b Credit Facility as of December 31, 2018 is a per annum fee of 44 basis points times the stated amount of $178,236,302. The variable interest rate of the Series 2007A-1b Bonds as of December 31, 2018 was 1.74%. The expiration of the 2007A-1b Credit Facility was extended on February 1, 2019 from March 7, 2019 to March 1, 2021 (see Note 22 – Subsequent Events).

(a)(iii) Series 2007A-2a Bonds

On March 18, 2011, the Tollway remarketed $100,000,000 of the 2007 Series A-2 bonds as 2007 Series A-2a (the "Series 2007A-2a Bonds"). As of December 31, 2018, the Series 2007A-2a Bonds are secured by a direct-pay letter of credit from The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York branch, pursuant to the terms of the Reimbursement Agreement dated as of March 1, 2011, as amended, between the Tollway and such bank (the "2007A-2a Credit Facility"). The 2007A-2a Credit Facility provides up to $100,000,000 for payment of principal and up to $1,849,316 for payment of interest (equivalent to 45 days' accrued interest at 15%), including for the purpose of paying principal and interest on the purchase price of any bonds tendered, and not remarketed. To the extent the 2007A-2a Credit Facility is utilized to purchase bonds tendered and not remarketed, and to the extent such bonds continue to remain unremarketed on the first business day of the fourth calendar month immediately succeeding the date the bonds were purchased, then such funded bonds are required to be repaid by the Tollway in equal quarterly principal installments commencing on the first business day of the fourth calendar month immediately succeeding the date the bonds were purchased, and ending on the date four years after the date the bonds were purchased. The cost of the 2007A-2a Credit Facility is a per annum fee of 45 basis points times the stated amount of $101,849,316. The variable interest rate of the Series 2007A-2a Bonds as of December 31, 2018 was 1.77%. The 2007A-2a Credit Facility is scheduled to expire on March 16, 2020. The Series 2007A-2a Bonds were refunded in full on January 10, 2019 (see Note 22 – Subsequent Events).

(a)(iv) Series 2007A-2b Bonds

On March 18, 2011, the Tollway remarketed $107,500,000 of the 2007 Series A-2 Bonds as 2007 Series A-2b (the "Series 2007A-2b Bonds"). As of December 31, 2018, the Series 2007A-2b Bonds are secured by a direct-pay letter of credit from PNC Bank, N.A., pursuant to the terms of the Reimbursement Agreement dated as of March 1, 2017, between the Tollway and such bank (the "2007A-2b Credit Facility"). The 2007A-2b Credit Facility provides up to $107,500,000 for payment of principal and up to $1,988,014 for payment of interest (equivalent to 45 days' accrued interest at 15%), including for the purpose of paying principal and interest on the purchase price of any bonds tendered, and not remarketed. To the extent the 2007A-2b Credit Facility is utilized to purchase bonds tendered and not remarketed, and to the extent such bonds continue to remain unremarketed on the first business day of the sixth calendar month immediately succeeding the date the bonds were purchased, then such funded bonds are required to be repaid by the Tollway in equal semi-annual principal installments commencing on the first business day of the sixth calendar month immediately succeeding the date the bonds were purchased, and ending on the date three years after the date the bonds were purchased. The cost of the 2007A-2b Credit Facility is a per annum fee of 35 basis points times the stated amount of $109,488,014. The variable interest rate of the Series 2007A-2b Bonds as of December 31, 2018, was 1.75%. The 2007A-2b Credit Facility is scheduled to expire on March 5, 2020. The Series 2007A-2b Bonds were refunded in full on January 10, 2019 (see Note 22 – Subsequent Events).

(a)(v) Series 2007A-2c Bonds

On March 18, 2011, the Tollway remarketed $55,000,000 of the 2007 Series A-2 bonds as 2007 Series A-2c (the "Series 2007A-2c Bonds"). As of December 31, 2018, the Series 2007A-2c Bonds are secured by a direct-pay letter of credit from Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch, pursuant to the terms of the Reimbursement Agreement dated as of January 1, 2017 between the Tollway and such bank (the "2007A-2c Credit Facility"). The 2007A-2c Credit Facility provides up to $55,000,000 for payment of principal and up to $1,017,124 for payment of interest (equivalent to 45 days' accrued interest at 15%), including for the purpose of paying principal and interest on the purchase price of any bonds tendered, and not remarketed. To the extent the 2007A-2c Credit Facility is utilized to purchase bonds tendered and not remarketed, and to the extent such bonds continue to remain unremarketed for 180 days, then such funded bonds are required to be repaid by the Tollway in equal semi-annual principal installments commencing on the date 180 days following the date the bonds were purchased and ending on the date five years following the date the bonds were purchased. The cost of the 2007A-2c Credit Facility is a per annum fee of 30 basis points times the total stated amount of $56,017,124. The variable interest rate of the Series 2007A-2c Bonds as of December 31, 2018, was 1.78%. The 2007A-2c Credit Facility is scheduled to expire on January 30, 2022. The Series 2007A-2c Bonds were refunded in full on January 10, 2019 (see Note 22 – Subsequent Events).

(a)(vi) Series 2007A-2d Bonds

On March 18, 2011, the Tollway remarketed $87,500,000 of the 2007 Series A-2 bonds as 2007 Series A-2d (the "Series 2007A-2d Bonds"). As of December 31, 2018, the Series 2007A-2d Bonds are secured by a direct-pay letter of credit from Bank of America, N.A., pursuant to the terms of the Reimbursement Agreement dated as of March 1, 2017 between the Tollway and such bank (the "2007A-2d Credit Facility"). The 2007A-2d Credit Facility provides up to $87,500,000 for payment of principal and up to $1,618,151 for payment of interest (equivalent to 45 days' accrued interest at 15%), including for the purpose of paying principal and interest on the purchase price of any bonds tendered, and not remarketed. To the extent the 2007A-2d Credit Facility is utilized to purchase bonds tendered and not remarketed, and to the extent such bonds continue to remain unremarketed for 91 days, then such funded bonds are required to be repaid by the Tollway in equal principal installments on the dates nine months after the date the bonds were purchased and each sixth months occurring thereafter, until the final payment on the date three years after the date the bonds were purchased. The cost of the 2007A-2d

Credit Facility as of December 31, 2018 is a per annum fee of 44 basis points times the stated amount of $89,118,151. The variable interest rate of the Series 2007A-2d Bonds as of December 31, 2018, was 1.74%. The expiration of the 2007A-2d Credit Facility was extended on February 1, 2019 from March 7, 2019 to March 1, 2021 (see Note 22 – Subsequent Events).

(b) Series 2008A Bonds

On February 7, 2008, the Tollway issued $766,200,000 of Toll Highway Variable Rate Senior Refunding Revenue Bonds (2008 Series A-1 and 2008 Series A-2) (collectively, the "Series 2008A Bonds"). This issuance advance refunded a portion of the Tollway's Toll Highway Senior Priority Revenue Bonds, 2006 Series A, and financed costs of issuance. On July 1, 2010, $287,300,000 of the 2008 Series A-2 bonds was refunded by the Tollway's $279,300,000 Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1, after which the outstanding amount of Series 2008A Bonds was $383,100,000 of the 2008 Series A-1 bonds and $95,800,000 of the 2008 Series A-2 bonds. Payments of principal when due at maturity and interest are insured by Assured Guaranty Municipal Corp., pursuant to the acquisition of the original bond insurer, Financial Security Assurance Inc., by Assured Guaranty Ltd. on July 1, 2009. The bonds were sold at par and mature on January 1, 2031, subject to mandatory sinking fund redemption on January 1 of each of the years 2018 – 2030. On February 7, 2011, the Series 2008A Bonds were mandatorily tendered and remarketed as three separate sub-series. The following provides, as of December 31, 2018, additional information regarding each sub-series.

(b)(i) Series 2008A-1a Bonds

On February 7, 2011, the Tollway remarketed $191,500,000 of the 2008 Series A-1 Bonds as 2008 Series A-1a (the "Series 2008A-1a Bonds"). The bonds were initially issued in a weekly interest rate mode and remained in a weekly mode through fiscal year end 2018. Interest rates are set pursuant to the terms of a remarketing agreement. While in the weekly mode, the bonds are subject to optional redemption by the Tollway and tender for purchase by bondholders. Any bonds tendered for purchase are remarketed pursuant to the terms of a remarketing agreement. As of December 31, 2018, the Series 2008A-1a Bonds are liquidity supported by a standby bond purchase agreement dated as of February 1, 2011, among the Tollway, the Trustee, and JPMorgan Chase Bank, N.A. (the "2008A-1a Liquidity Facility"). The 2008A-1a Liquidity Facility provides up to $191,500,000 for payment of principal and up to $2,203,562 for payment of interest (equivalent to 35 days' accrued interest at 12%) for the purpose of paying principal and interest on the purchase price of any bonds tendered and not remarketed. To the extent the 2008A-1a Liquidity Facility is utilized to purchase bonds tendered and not remarketed, and to the extent such bonds continue to remain unremarketed for 91 days, then such funded bonds are required to be repaid by the Tollway in ten equal semi-annual principal installments commencing on the first business day of the sixth full month following the date 91 days after the date the bonds were purchased. The cost of the 2008A-1a Liquidity Facility is a per annum fee of 59 basis points times the commitment amount of $193,703,562. The variable interest rate of the Series 2008A-1a Bonds as of December 31, 2018, was 1.76%. The outstanding amount at December 31, 2018 was $190,600,000. The 2008A-1a Liquidity Facility was scheduled to expire on February 1, 2019. The Series 2008A-1a Bonds were refunded in full on January 10, 2019 (see Note 22 – Subsequent Events).

(b)(ii) Series 2008A-1b Bonds

On February 7, 2011, the Tollway remarketed $191,600,000 of the 2008 Series A-1 Bonds as 2008 Series A-1b (the "Series 2008A-1b Bonds"). The bonds were initially issued in a weekly interest rate mode and remained in a weekly mode until February 3, 2017, when the Series 2008A-1b Bonds were mandatorily tendered, converted to an index mode and remarketed to RBC Municipal Products, LLC, to be held for a period of three years ending February 3, 2020, pursuant to the terms of a Bondholder Agreement dated as of February 3, 2017. While in the index mode, the interest rate on the bonds equals the sum of the Securities Industry and Financial Markets Association (aka SIFMA) 7-day Municipal Swap Index plus 45 basis points. The spread is subject to increase under certain conditions specified in the Bondholder Agreement. The variable interest rate of the Series 2008A-1b Bonds as of December 31, 2018, was 2.16%. The outstanding amount at December 31, 2018 was $190,600,000. On February 3, 2020, if the index mode is not extended and the bonds are not otherwise remarketed or redeemed, then the bonds are required to be repaid by the Tollway in equal quarterly principal installments commencing May 1, 2020 and ending on February 3, 2023, at interest rates specified in the Bondholder Agreement.

(b)(iii) Series 2008A-2 Bonds

On February 7, 2011, the Tollway remarketed $95,800,000 of the 2008 Series A-2 Bonds (the "Series 2008A-2 Bonds"). The bonds were initially issued in a weekly interest rate mode and remained in a weekly mode through fiscal year end 2018. Interest rates are set pursuant to the terms of a remarketing agreement. While in the weekly mode, the bonds are subject to optional redemption by the Tollway and tender for purchase by bondholders. Any bonds tendered for purchase are remarketed pursuant to the terms of a remarketing agreement. As of December 31, 2018, the Series 2008A-2 Bonds are liquidity supported by a standby bond purchase agreement dated as of February 1, 2011 among the Tollway, the Trustee, and JPMorgan Chase Bank, N.A. (the "2008A-2 Liquidity Facility"). The 2008A-2 Liquidity Facility provides up to $95,800,000 for payment of principal and up to $1,102,357 for payment of interest (equivalent to 35 days' accrued interest at 12%) for the purpose of paying principal and interest on the purchase price of any bonds tendered and not remarketed. To the extent the 2008A-2 Liquidity Facility is utilized to purchase bonds tendered and not remarketed, and to the extent such bonds continue to remain unremarketed for 91 days, then such funded bonds are required to be repaid by the Authority in ten equal semi-annual principal installments commencing on the first business day of the sixth full month following the date 91 days after the date the bonds were purchased. The cost of the 2008A-2 Liquidity Facility is a per annum fee of 59 basis points times the commitment amount of $96,902,357. The variable interest rate of the Series 2008A-2 Bonds as of December 31, 2018 was 1.71%. The outstanding amount at December 31, 2018 was $95,325,000. The expiration of the 2008A-2 Liquidity Facility was extended on January 9, 2019 from February 1, 2019 to January 30, 2020 (see Note 22 – Subsequent Events).

(c) Build America Bonds

The American Recovery and Reinvestment Act of 2009 authorized the Tollway to issue taxable bonds known as "Build America Bonds" to finance capital expenditures for which it could issue tax-exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds. The receipt of such subsidy payments by the Tollway is subject to certain requirements, including the filing of a form with the Internal Revenue Service prior to each interest payment date. The subsidy payments are not full faith and credit obligations of the United States of America. As a result of the impact of sequestration, the federal government reduced the amount of the subsidy payments by: 8.7% for subsidies received between March 2013 and September 2013; 7.2% for subsidies received between October 2013 and September 2014; 7.3% for subsidies received between October 2014 and September 2015; 6.8% for subsidies received between October 2015 and September 2016; 6.9% for subsidies received between October 2016 and September 2017; 6.6% for subsidies received between October 2017 and September 2018; and 6.2% for subsidies received between October 2018 and September 2019 (see Note 22 – Subsequent Events). The

Series 2009A Bonds and Series 2009B Bonds are taxable Build America Bonds; all other Tollway bonds are tax-exempt bonds.

(d) Series 2009A Bonds

On May 21, 2009, the Tollway issued $500,000,000 of Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (Build America Bonds – Direct Payment). The Tollway made an irrevocable election to designate the bonds as Build America Bonds pursuant to the provisions of Section 54AA(g) of the Internal Revenue Code of 1986. The Tollway covenanted to apply Build America Bonds subsidy payments to the payment of debt service. This issuance was the fifth bond sale utilized to finance capital projects in the Congestion-Relief Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as two term bonds, $100,000,000 maturing on January 1, 2024 and $400,000,000 maturing on January 1, 2034. The bonds maturing January 1, 2024 bear an interest rate of 5.293%, were sold at a price of 100% of the par amount of the bonds, and are subject to optional redemption on or after January 1, 2019 at a redemption price of 100% of the principal amount plus accrued interest. The bonds maturing January 1, 2034 bear an interest rate of 6.184%, were sold at a price of 100% of the par amount of the bonds, and are subject to optional redemption at a redemption price equal to the greater of: (i) 100% of the principal amount of the bonds to be redeemed; and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the bonds to be redeemed, discounted to the date on which the bonds are to be redeemed on a semi-annual basis at the yield to maturity as of such redemption date of the U.S. Treasury security with a constant maturity most nearly equal to the period from the redemption date to the maturity date of the bonds to be redeemed, plus 30 basis points, plus, in each case, accrued interest. Each of the term bonds are subject to sinking fund redemption prior to maturity. The bonds are not insured. The term bond maturing on January 1, 2024 was refunded on January 10, 2019 (see Note 22 – Subsequent Events).

(e) Series 2009B Bonds

On December 8, 2009, the Tollway issued $280,000,000 of Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series B (Build America Bonds – Direct Payment). The Tollway made an irrevocable election to designate the bonds as Build America Bonds pursuant to the provisions of Section 54AA(g) of the Internal Revenue Code of 1986. The Tollway covenanted to apply Build America Bonds subsidy payments to the payment of debt service. This issuance was the sixth bond sale utilized to finance capital projects in the Congestion-Relief Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. In connection with the issuance of the bonds, the Tollway deposited $12,000,000 funds on hand into the debt service account to pay the bond interest due on June 1, 2010 and a portion of the bond interest due on December 1, 2010. The bonds mature on December 1, 2034. The bonds bear an interest rate of 5.851% and were sold at a price of 100% of the par amount of the bonds. The bonds are subject to optional redemption at a redemption price equal to the greater of: (i) 100% of the principal amount of the bonds to be redeemed; and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the bonds to be redeemed, discounted to the date on which the bonds are to be redeemed on a semi-annual basis at the yield to maturity as of such redemption date of the U.S. Treasury security with a constant maturity most nearly equal to the period from the redemption date to the maturity date of the bonds to be redeemed, plus 25 basis points, plus, in each case, accrued interest. The bonds are not insured.

(f) Series 2010A-1 Bonds

On July 1, 2010, the Tollway issued $279,300,000 of Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1. The bonds refunded $287,300,000 of the Tollway's $383,100,000 then-outstanding 2008 Series A-2 Bonds. The bonds also financed costs of issuance and costs of terminating a variable-to-fixed interest rate exchange agreement (swap) associated with the refunded bonds. The bonds were sold as serial bonds maturing on January 1 of each of the years 2018 through 2031 and were sold bearing interest rates ranging from 3.50% to 5.25%. The bonds were sold at yields which produced a net original issue premium of $9,648,275. The bonds are subject to optional redemption on or after January 1, 2020 at a redemption price of 100% of the principal amount plus accrued interest. The outstanding principle balance as of December 31, 2018 was $277,820,000.

(g) Series 2013A Bonds

On May 16, 2013, the Tollway issued $500,000,000 of Toll Highway Senior Revenue Bonds, 2013 Series A. This issuance was the first bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2035 and a term bond maturing January 1, 2038. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $63,601,290. The bonds are subject to optional redemption on or after January 1, 2023, at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2038, is subject to sinking fund redemption prior to maturity. The bonds were not insured.

(h) Series 2013B-1 Bonds

On August 13, 2013 the Tollway issued $217,390,000 of Toll Highway Senior Revenue Bonds, 2013 Series B-1 (Refunding). The bonds advance refunded $228,195,000 of the Tollway's Toll Highway Senior Priority Revenue Bonds, 2005 Series A. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on December 1 of each of the years 2016 through 2018. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $32,127,075, were not subject to optional redemption, and were not insured. The bonds are no longer outstanding; their final maturity was December 1, 2018. The purpose of the refunding was to reduce debt service. The aggregate difference in debt service between the refunding debt through final maturity and the refunded debt, had it remained outstanding through final maturity, net of Tollway funds on hand that were applied to the refunding transaction, was $14.4 million. The present value of such savings was estimated at $13.2 million at the time of the transaction's closing.

(i) Series 2014A Bonds

On February 26, 2014, the Tollway issued $378,720,000 of Toll Highway Senior Revenue Bonds, 2014 Series A (Refunding). The bonds advance refunded $436,545,000 of the Tollway's Toll Highway Senior Priority Revenue Bonds, 2005 Series A. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on December 1 of each of the years 2019 through 2022. The bonds were sold bearing interest rates ranging from 4.5% - 5.0%. The bonds were sold at yields which produced an original issue premium of $66,772,076. The bonds are not subject to optional redemption. The bonds were not insured.

The purpose of the refunding was to reduce debt service. The aggregate difference in debt service between the refunding debt, if outstanding through final maturity, and the refunded debt, had it remained outstanding through final maturity, net of Tollway funds on hand that were applied to the refunding transaction, was $55.7 million. The present value of such savings was estimated at $44.1 million at the time of the transaction's closing.

(j) Series 2014B Bonds

On June 4, 2014, the Tollway issued $500,000,000 of Toll Highway Senior Revenue Bonds, 2014 Series B. This issuance was the second bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2026 through 2039. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $48,929,739. The bonds are subject to optional redemption on or after January 1, 2024, at a redemption price of 100% of the principal amount plus accrued interest. The bonds were not insured.

(k) Series 2014C Bonds

On December 4, 2014, the Tollway issued $400,000,000 of Toll Highway Senior Revenue Bonds, 2014 Series C. This issuance was the third bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2039. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $53,737,539. The bonds are subject to optional redemption on or after January 1, 2025, at a redemption price of 100% of the principal amount plus accrued interest. The bonds were not insured.

(l) Series 2014D Bonds

On December 18, 2014, the Tollway issued $264,555,000 of Toll Highway Senior Revenue Bonds, 2014 Series D (Refunding). The bonds advance refunded $291,660,000 of the Tollway's Toll Highway Senior Priority Revenue Bonds, 2006 Series A-1. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2018 through 2025. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $49,884,988. The bonds are not subject to optional redemption. The bonds were not insured. The outstanding principle balance as of December 31, 2018 was $248,555,000.

The purpose of the refunding was to reduce debt service. The aggregate difference in debt service between the refunding debt, if outstanding through final maturity, and the refunded debt, had it remained outstanding through final maturity, net of Tollway funds on hand that were applied to the refunding transaction, was $38.4 million. The present value of such savings was estimated at $33.0 million at the time of the transaction's closing.

(m) Series 2015A Bonds

On July 30, 2015, the Tollway issued $400,000,000 of Toll Highway Senior Revenue Bonds, 2015 Series A. This issuance was the fourth bond sale utilized to finance capital projects in the

"Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2037 and a term bond maturing January 1, 2040. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $39,445,649. The bonds are subject to optional redemption on or after July 1, 2025 at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2040, is subject to sinking fund redemption prior to maturity. The bonds were not insured.

(n) Series 2015B Bonds

On December 17, 2015, the Tollway issued $400,000,000 of Toll Highway Senior Revenue Bonds, 2015 Series B. This issuance was the fifth bond sale utilized to finance capital projects in the" Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2037 and a term bond maturing January 1, 2040. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $47,418,612. The bonds are subject to optional redemption on or after January 1, 2026 at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2040, is subject to sinking fund redemption prior to maturity. The bonds were not insured.

(o) Series 2016A Bonds

On January 14, 2016, the Tollway issued $333,060,000 of Toll Highway Senior Revenue Bonds, 2016 Series A (Refunding). The bonds advance refunded $350,000,000 of the Tollway's Toll Highway Senior Priority Revenue Bonds, 2008 Series B. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on December 1, 2031 bearing interest rates of 4.00% and 5.00% and December 1, 2032 bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of $49,635,106. The bonds are subject to optional redemption on or after January 1, 2026, at a redemption price of 100% of the principal amount plus accrued interest. The bonds were not insured.

The purpose of the refunding was to reduce debt service. The aggregate difference in debt service between the refunding debt, if outstanding through final maturity, and the refunded debt, had it remained outstanding through final maturity, net of Tollway funds on hand that were applied to the refunding transaction, was $70.0 million. The present value of such savings was estimated at $50.9 million at the time of the transaction's closing.

(p) Series 2016B Bonds

On June 16, 2016, the Tollway issued $300,000,000 of Toll Highway Senior Revenue Bonds, 2016 Series B. This issuance was the sixth bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2038 and a term bond maturing January 1, 2041. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $59,573,902. The bonds are subject to optional redemption on or after July 1, 2026, at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2041, is subject to sinking fund redemption prior to maturity. The bonds were not insured.

(q) Series 2017A Bonds

On December 6, 2017, the Tollway issued $300,000,000 of Toll Highway Senior Revenue Bonds, 2017 Series A. This issuance was the seventh bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2028 through 2039 and a term bond maturing January 1, 2042. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of $50,071,706. The bonds are subject to optional redemption on or after January 1, 2028, at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2042, is subject to sinking fund redemption prior to maturity. The bonds were not insured.

(r) Defeased Bonds

On January 14, 2016, the Tollway issued $333,060,000 of Toll Highway Senior Revenue Bonds, 2016 Series A (Refunding) (the "refunding bonds") in connection with the advance refunding of $350,000,000 of Toll Highway Senior Priority Revenue Bonds, 2008 Series B (the "refunded bonds"). Net proceeds from the refunding bonds were used to purchase U.S. government securities that were deposited into an irrevocable trust with an escrow agent to provide for the future interest payments on the refunded bonds through January 1, 2018, and the redemption of such refunded bonds on January 1, 2018. The refunded bonds were deemed defeased and the liability for those bonds was removed from the statement of net position in 2016. The bonds were paid off in full on January 2, 2018. As of December 31, 2018, there are no defeased bonds of the Tollway outstanding.

(Continued)

(s) All Series

Details of outstanding revenue bonds as of December 31, 2018 are as follows:

Issue of 2007 Series A-1, variable rates, due on July 1, 2024-2030	$	350,000,000
Issue of 2007 Series A-2, variable rates, due on July 1, 2024-2030		350,000,000
Issue of 2008 Series A-1, variable rates, due on January 1, 2019-2031		381,200,000
Issue of 2008 Series A-2, variable rates, due on January 1, 2019-2031		95,325,000
Issue of 2009 Series A, 5.293% due on January 1, 2019-2024 and 6.184% due on January 1, 2032-2034		500,000,000
Issue of 2009 Series B, 5.851% due on December 1, 2034		280,000,000
Issue of 2010 Series A-1, 3.50% - 5.25%, due on January 1, 2019-2031		277,820,000
Issue of 2013 Series A, 5.00% due on January 1, 2027-2038		500,000,000
Issue of 2014 Series A, 4.50% due on December 1, 2020 and 5.00%, due on December 1, 2019-2022		378,720,000
Issue of 2014 Series B, 5.00% due on January 1, 2026-2039		500,000,000
Issue of 2014 Series C, 5.00% due on January 1, 2027-2039		400,000,000
Issue of 2014 Series D, 5.00% due on January 1, 2019-2025		248,555,000
Issue of 2015 Series A, 5.00% due on January 1, 2027-2040		400,000,000
Issue of 2015 Series B, 5.00% due on January 1, 2027-2040		400,000,000
Issue of 2016 Series A, 4.00% due on December 1, 2031 and 5.00% due on December 1, 2031-2032		333,060,000
Issue of 2016 Series B, 5.00% due on January 1, 2027-2041		300,000,000
Issue of 2017 Series A, 5.00% due on January 1, 2028-2042		300,000,000
Total revenue bonds payable	$	5,994,680,000
Less current portion*	$	(118,780,000)
Plus unamortized bond premium		448,930,720
Long-term portion of revenue bonds payable plus unamortized bond premium	$	6,324,830,720

* Principal amounts either due within one year or for which required third-party liquidity is scheduled to expire within one year and was not extended to a date later than December 31, 2019, prior to the issuance date of this report. As of December 31, 2018, there is no principal for which required third-party liquidity is scheduled to expire within one year that was not extended to a date later than December 31, 2019, prior to the issuance date of this report.

Accrued interest payable as of the year ended December 31, 2018, was $117,853,895.

The annual requirements to retire principal and pay interest on all bonds outstanding at December 31, 2018 are as follows:

Year ending December 31	Principal	Interest*	Total debt service
2019	$ 118,780,000	$ 300,636,029	$ 419,416,029
2020	134,840,000	290,741,822	425,581,822
2021	142,230,000	283,845,371	426,075,371
2022	149,090,000	276,701,411	425,791,411
2023	49,485,000	269,162,411	318,647,411
2024	208,595,000	263,661,289	472,256,289
2025	192,945,000	253,364,875	446,309,875
2026	188,650,000	245,088,315	433,738,315
2027	291,070,000	234,864,188	525,934,188
2028	257,830,000	223,105,803	480,935,803
2029	268,850,000	211,131,601	479,981,601
2030	280,295,000	198,641,805	478,936,805
2031	330,150,000	186,532,844	516,682,844
2032	310,030,000	172,322,048	482,352,048
2033	147,435,000	155,813,900	303,248,900
2034	614,505,000	141,795,402	756,300,402
2035	74,300,000	113,637,500	187,937,500
2036	365,925,000	102,631,875	468,556,875
2037	384,175,000	83,879,375	468,054,375
2038	403,400,000	64,190,000	467,590,000
2039	399,200,000	44,125,000	443,325,000
2040	397,800,000	24,200,000	422,000,000
2041	235,100,000	8,377,500	243,477,500
2042	50,000,000	1,250,000	51,250,000
Total	$ 5,994,680,000	$ 4,149,700,364	$ 10,144,380,364

* Interest consists of interest payments on all bonds outstanding at December 31, 2018 plus net payments on all qualified hedge agreements (aka derivative instruments or swaps) associated with such bonds. The interest rates assumed for hedged variable rate bonds and the floating rate portions of associated qualified hedge agreements are such interest rates in effect on December 31, 2018 (see Note 9 – Derivative Instruments). The interest rate assumend for unhedged variable rate bonds is the 25-Bond Revenue Bond Index in effect on December 31, 2018, 4.58%.

(t) Trust Indenture Agreement

All Tollway bonds outstanding as of December 31, 2018, were issued under the Amended and Restated Trust Indenture effective as of March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (as amended, restated, and supplemented, the Trust Indenture) from the Tollway to The Bank Of New York Mellon Trust Company, N.A., as successor Trustee (the Trustee). The Trustee serves as fiduciary for bondholders. The Trust Indenture establishes the conditions under which the Tollway may issue bonds and the security to be pledged to bondholders. The Trust Indenture establishes two funds: (i) a construction fund to account for the spending of Tollway bond proceeds; and (ii) a revenue fund to account for the deposit of Tollway revenues. The construction fund is divided into different accounts for each project under the Trust Indenture. The revenue fund is divided into six different accounts (some of which are further divided into sub-accounts) which establish an order of funding priority through which Tollway revenues flow. Revenues first fund the maintenance and operation account, which is the only account in the revenue fund in which bondholders do not have a security interest. Remaining revenues fund the other accounts of the revenue fund in the following order of priority: the debt service account, the debt reserve account, the renewal and replacement account, the improvement account, and the system reserve account. (The Trust Indenture also allows for the creation of junior lien bond accounts; to date the Tollway has never issued junior lien bonds). All accounts of the construction fund and the debt service account and debt reserve account of the revenue fund are held by the Trustee. The Trustee-held funds classified as net position restricted under the Trust Indenture is included in Note 11.

(u) Arbitrage Rebate

In the 1980s, Congress determined that arbitrage rebate rules were needed to curb issuance of investment motivated tax-exempt bonds. These rules were designed to create additional safeguards against issuers obtaining an arbitrage benefit by issuing bonds either prematurely or in excess of actual need in order to benefit from an expected spread between tax-exempt borrowing cost and return on investment of bond proceeds. As a result, under certain conditions gain from arbitrage must be rebated to the United States Government. The Tollway determined that, as of December 31, 2018, no arbitrage rebate liability had accrued.

(9) Derivative Instruments

The total fair value balance and total notional amount of derivative instruments outstanding as of December 31, 2018, classified by type, and the change in total fair value of such derivatives instruments for the year then ended as reported in the 2018 financial statements are as follows (amounts in thousands; debit (credit)):

	Changes in fair value		December 31, 2018		
Cash flow hedges:	Classification	Amount	Classification	Amount	Notional Amount
Pay fixed, receive variable, interest rate swaps	Deferred outflow	$ (100,891)	Derivative instrument liability	$ (107,496)	$ 985,900

In connection with the issuances of Tollway variable rate bonds that were outstanding for part or all of 2018, as a means of lowering its borrowing costs, the Tollway entered into seven separate variable-to-fixed interest rate exchange agreements (swaps). Per the terms of each of the swaps, the Tollway pays a fixed rate of interest to the swap provider in exchange for a variable rate of interest expected to match or closely approximate the variable rate of interest owed by the Tollway to bondholders. At the time each of the swaps was entered into by the Tollway, the Tollway's fixed rate obligation in the swap was less than the fixed rate of interest obtainable by the Tollway from issuing fixed rate bonds.

Three of the swaps became effective February 7, 2008, two of which are associated with the 2008 Series A-1 bonds and one of which is associated with the 2008 Series A-2 bonds. One of the swaps associated with the 2008 Series A-1 bonds, provided by Deutsche Bank, AG, New York Branch, and in notional amount $190,600,000 during 2018, was terminated on December 11, 2018, in connection with a refunding of a portion of the 2008 Series A-1 Bonds on January 10, 2019 (see Note 22 – Subsequent Events). Four of the swaps became effective November 1, 2007, two of which are associated with the 2007 Series A-1 bonds and two of which are associated with the 2007 Series A-2 bonds. One of the swaps associated with the 2007 Series A-2 bonds, provided by Bank of America, N.A., was terminated effective January 10, 2019, in connection with a refunding of a portion of the 2007 Series A-2 Bonds on January 10, 2019 (see Note 22 – Subsequent Events).

Details of these derivative instruments outstanding are as follows (amounts in thousands):

Bond Issues	Outstanding notional amount	Effective date	Swap Termination Date	Fixed rate paid	Variable rate received	Fair value as of 12/31/18	Counterparty	Estimated counterparty credit ratings (Moody's/S&P)
2007A-1	$ 175,000	11/1/2007	7/1/2030	3.9720%	SIFMA	$ (27,203)	Citibank N.A.	A1 / A
2007A-1	175,000	11/1/2007	7/1/2030	3.9720%	SIFMA	(27,203)	Goldman Sachs Bank USA	A1 / A-
2007A-2	262,500	11/1/2007	7/1/2030	3.9925%	SIFMA	(161)	Bank of America, N.A.	A1 / A
2007A-2	87,500	11/1/2007	7/1/2030	3.9925%	SIFMA	(13,742)	Wells Fargo Bank, N.A.	Aa2 / AA-
2008A-1	190,600	2/7/2008	1/1/2031	3.7740%	SIFMA	(26,173)	The Bank of New York Mellon, N.A.	Aa2 / AA-
2008A-2	95,300	2/7/2008	1/1/2031	3.7640%	SIFMA	(13,014)	Bank of America, N.A.	A1 / A
Totals	$ 985,900					$ (107,496)		

The swap counterparty ratings included in the above chart are from Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P"), respectively.

The notional amounts of the swaps match the outstanding principal amounts of the associated bonds, with the exception that the swap associated with the Tollway's $95,325,000 outstanding 2008 Series A-2 bonds is in a notional amount of $95,300,000. The amortizations of the 2008 Series A-2 Bonds and the related swap result in the bond amount outstanding always exceeding the swap notional amount outstanding, with the difference between the two never exceeding $25,000.

The interest rate swaps do not trade on an exchange-type market with observed quotes. The mark-to-market values and expected swap cash flows were calculated using the zero coupon method as described in GASB Statement No. 53. The income approach, as described in GASB Statement No. 72, is used to obtain the fair value of the swaps, where future amounts (the expected swap cash flows) are converted to a single current (discounted) amount, using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and time value of money. Given the observability of inputs that are significant to the entire measurements, the fair values of the transactions are categorized as Level 2.

Risks

(a) Counterparty Credit Risk

Counterparty credit risk is the risk that a swap is terminated and the counterparty fails to make one or more required payments. The termination payment is a market-based payment approximating the fair value of the swap at the time of termination. The Tollway was not exposed to termination payment credit risk as of December 31, 2018, because the negative fair values of each swap would render no payments owing by the counterparties in the event of a termination. If changes in interest rates were to create positive fair values for the swaps in the future, the Tollway would be exposed to counterparty credit risk in the amount of those positive fair values. The swaps require full collateralization from the counterparty of any fair value in favor of the Tollway if: (a) the counterparty's credit rating were to fall below AA- or Aa3 by S&P or Moody's, respectively; and (b) the fair value were to exceed certain thresholds as specified in the swap agreements. If the counterparty's credit rating were to fall below A- or A3 by S&P or Moody's, respectively, then the threshold is zero, requiring full collateralization regardless of the amount of fair value. The swaps require such collateral to be held by a third party custodian in the form of cash, debt obligations issued by the U.S. Treasury or debt issued by federally sponsored agencies. The six swaps outstanding as of December 31, 2018, are with five different counterparties. The highest percentage of the total notional amount of swaps with a single counterparty is 36%.

(b) Basis Risk

Basis risk is the extent to which the Tollway's variable rate interest payments to bondholders differ from the variable rate payments received from the swap counterparties. The Tollway's variable rate interest payments to bondholders are determined by rates established by remarketing agents on a weekly basis. In the case of the swaps associated with the Series 2007A bonds, the variable rate payments received from the swap counterparties is equal to the SIFMA seven-day Municipal Swap Index, so basis risk is incurred to the extent the rates set by remarketing agents on the Tollway's Series 2007A bonds exceed the SIFMA seven-day Municipal Swap Index. During 2018, the average interest rate paid to Series 2007A bondholders was 1.43%, compared to an average SIFMA seven-day Municipal Swap Index of 1.41%. In the case of the swaps associated with the Series 2008A bonds, the variable rate payments received from the swap counterparties are equal to the SIFMA seven-day Municipal Swap Index, so basis risk is incurred to the extent the rates set by remarketing agents on the Tollway's Series 2008A bonds exceed the SIFMA seven-day Municipal Swap Index. During 2018, the average interest rate paid to Series 2008A bondholders was 1.60%, compared to an average SIFMA seven-day Municipal Swap Index of 1.41%.

Low interest rates contributed to the negative December 31, 2018 market valuations (fair values) included in the preceding chart for the Tollway's swaps. At the time the swaps were entered into, the synthetic fixed rates achieved by the swaps were less than the fixed rates that could have been achieved by issuing fixed rate bonds.

(c) Termination Risk

Termination risk is the risk that a swap's unscheduled end presents the Tollway with a potentially significant unscheduled termination payment owed to the counterparty, and/or increased interest cost due to the end of the hedge provided by the terminated swap. The Tollway's swap agreements do not contain any out-of-the-ordinary termination provisions that would expose it to significant termination risk. Consistent with agreements of this type, the Tollway and the counterparty each have the ability to terminate a swap agreement if the other party fails to perform under the terms of the agreement.

The agreements allow either party to terminate in the event of a significant loss of creditworthiness by the other party. If a swap were to be terminated, the associated variable rate bonds would no longer be hedged and the Tollway would be subject to variable rate risk, unless it entered into a new hedge following termination. If variable rate bonds were to be redeemed early, the net payments owing under the associated swap agreement(s) would continue to accrue, unless and until the associated swap(s) were to be terminated. If a swap were to have a negative market value at time of termination, the Tollway would be liable to the counterparty for a payment approximately equal to the market value of such swap.

(d) Rollover Risk

Rollover risk is the risk that a swap which is scheduled to end prior to the maturity of the bond issue with which it is associated either: cannot be extended or replaced; or can be extended or replaced only at significant cost. There is no rollover risk in the Tollway's swap portfolio, given that the swap agreements have final maturities and amortizations that approximately match the final maturities and amortizations of the related bond issues.

Derivative Instrument Payments and Hedged Debt

As of December 31, 2018, aggregate projected debt service requirements on the Tollway's hedged debt and net payments on associated hedging derivative instruments are presented below. The projected amounts assume that the interest rates on variable rate debt and reference rates on associated hedging derivative instruments as of December 31, 2018, will remain the same for their terms. As these rates vary, interest payments on variable rate bonds and net payments on the associated hedging derivative instruments will vary. The hedging derivative instruments column reflects only the net payments on derivative instruments that qualify for hedge accounting. All Tollway derivative instruments outstanding as of December 31, 2018, qualified for hedge accounting.

Fiscal year ending December 31,	Hedged Debt Principal*	Hedged Debt Interest	Hedging derivative instruments - net payments	Total
2019	$ 1,500,000 *	$ 13,806,787	$ 20,860,026	$ 36,166,813
2020	1,575,000	13,373,073	15,768,600	30,716,674
2021	1,650,000	13,333,832	15,687,579	30,671,411
2022	1,687,500	13,303,080	15,676,447	30,667,026
2023	1,762,500	13,267,781	15,640,259	30,670,540
2024	33,087,500	13,004,650	15,849,454	61,941,604
2025	91,912,500	11,502,741	14,355,945	117,771,186
2026	86,025,000	9,884,822	12,498,611	108,408,432
2027	124,512,500	7,912,411	10,717,150	143,142,060
2028	109,175,000	5,893,307	8,291,001	123,359,308
2029	112,737,500	3,827,573	5,794,192	122,359,265
2030	116,225,000	1,696,745	3,253,274	121,175,020
2031	41,550,000	70,931	72,719	41,693,650
	$ 723,400,000 *	$ 120,877,732	$ 154,465,257	$ 998,742,989

* In addition to the "Hedged Debt Principal" shown above, an additional $262.5 million of Series 2007A-2 Bonds were hedged during the period January 1, 2019 through January 9, 2019.

(10) Unearned Revenue

The Tollway's communications network includes a fiber optic system. Excess capacity on the fiber optic lines is leased to other organizations in order to offset the cost of the system. Since 2000, when the system was initially upgraded, the Tollway has entered into fiber optic system lease agreements with terms of twenty years. The Tollway has collected a cumulative total of $35,596,827 in upfront payments; the related revenue will be earned over the lease terms.

The total unearned revenue balance for the fiber optic system was $36,007,373 at December 31, 2018, and the amount earned was $28,260,423 through December 31, 2018.

The Tollway also invoices annual fiber optic maintenance fees. At December 31, 2018, some of these fees had been paid in advance. These have also been recorded as unearned revenue.

On October 1, 2013, the Tollway entered into a 3-year agreement with Travelers Marketing, LLC, for sponsorship of the Tollway's Highway Emergency Lane Patrol (H.E.L.P.) trucks by its advertising sponsor/partner, State Farm Insurance. In exchange for a sponsorship fee of $1,802,000, Travelers has the exclusive right to place State Farm Insurance branding on Tollway H.E.L.P. trucks and H.E.L.P. truck operator uniforms. On October 1, 2016, this contract was extended for an additional 3 years. The unearned portion of the sponsorship fee paid by Travelers in 2018 has been recorded as unearned revenue.

A summary of changes in unearned revenue for the year ended December 31, 2018, is as follows:

	Balance at January 1	Current year activity	Balance at December 31	Current Portion
Unearned revenue				
Fiber optics and co-location	$ 36,066,741	$ (59,368)	$ 36,007,373	$ 2,206,799
Accumulated amortization	(26,462,495)	(1,797,928)	(28,260,423)	(1,796,253)
	9,604,246	(1,857,296)	7,746,950	410,546
Intergovernmental agreements	290,777	19,700	310,477	310,477
Accumulated amortization	-	-	-	-
	290,777	19,700	310,477	310,477
H.E.L.P. Truck advertising revenue	3,005,000	601,000	3,606,000	601,000
Accumulated amortization	(2,529,208)	(601,000)	(3,130,208)	(125,208)
	475,792	-	475,792	475,792
Lease revenue	28,896	(28,896)	-	-
Accumulated amortization	(16,082)	16,082	-	-
	12,814	(12,814)	-	-
Totals				
Unearned revenue	39,391,414	532,436	39,923,850	3,118,276
Accumulated amortization	(29,007,785)	(2,382,846)	(31,390,631)	(1,921,461)
Net deferred revenue	$ 10,383,629	$ (1,850,410)	$ 8,533,219	$ 1,196,815

(11) Restricted Net Position

As of December 31, 2018, the Tollway reported the following restricted net position:

Description		December 31, 2018
Net position restricted under Trust Indenture Agreement	$	452,437,721
Restricted for pension benefit obligation		47,147
Total	$	452,484,868

(12) State Employees' Retirement System

Plan Description

Substantially all of the Tollway's full-time employees, as well as the State Police assigned to the Tollway who are not eligible for any other state-sponsored retirement plan, participate in the Illinois State Employees' Retirement System (SERS), which is a component unit of the State of Illinois reporting entity. SERS is a single-employer defined benefit public employee retirement system in which state employees participate, except those covered by the State Universities, Teachers, General Assembly and Judges' Retirement Systems. SERS is governed by a 13 member Board of Trustees, consisting of the Illinois Comptroller, six trustees appointed by the Governor with the advice and consent of the Illinois Senate, four trustees elected by SERS members, and two trustees appointed by SERS retirees. SERS issues a separate comprehensive annual financial report (CAFR). The financial position and results of operations for SERS for fiscal year 2018 are also included in the state's CAFR for the year ended June 30, 2018.

As of June 30, 2018, the breakdown of employees participating or benefitting from SERS, as a whole, is as follows:

Active employees	61,397
Retirees and beneficiaries currently receiving benefits	73,179
Inactive employees entitled to but not yet receiving benefits	24,943

A summary of SERS' benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the SERS' CAFR. Also included therein is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established.

To obtain a copy of SERS' CAFR, write, call, or email:

State Employees' Retirement System
2101 S. Veterans Parkway
Springfield, IL 62794-9255
(217) 785-2340
sers@mail.state.il.us

Benefit Provisions

SERS provides retirement benefits based on the member's final average compensation and the number of years of credited service that have been established. The retirement benefit formula available to general State employees is 1.67% for each year of covered service and 2.2% for each year of noncovered service. (Covered service is defined as service time where the employee contributed to Social Security as well as SERS). Alternative formula employees have a formula of 2.5% for covered service and 3.0% for noncovered service. The maximum retirement annuity payable is 75% of final average compensation as calculated under the regular formula. The maximum retirement annuity payable is 80% of final average compensation as calculated under the alternative formula.

The minimum monthly retirement annuity payable is $15 for each year of covered employment and $25 for each year of noncovered employment.

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Participants in SERS under the regular formula Tier 1 and Tier 2 receive the following levels of benefits based on their respective age and years of service credits:

<table>
<tr><th>Regular Formula Tier 1</th><th>Regular Formula Tier 2</th></tr>
<tr><td>A member must have a minimum of eight years of service credit and may retire at:
• Age 60, with eight years of service credit.
• Any age, when the member’s age (years and whole months) plus years of service credit (years and whole months) equal 85 years (1,020 months) (Rule of 85) with eight years of credited service.
• Between ages 55-60 with 25-30 years of service credit (reduced 1/2 of 1% for each month under age 60).
The retirement benefit is based on final average compensation and credited service. Final average compensation is the 48 highest consecutive months of service within the last 120 months of service.
Under the Rule of 85, a member is eligible for the first 3% increase on January 1 following the first full year of retirement, even if the member is not age 60. If the member retires at age 60 or older, he/she will receive a 3% pension increase every year on January 1, following the first full year of retirement.
If the member retires before age 60 with a reduced retirement benefit, he/she will receive a 3% pension increase every January 1 after the member turns age 60 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</td><td>A member must have a minimum of 10 years of credited service and may retire at:
• Age 67, with 10 years of credited service.
• Between ages 62-67 with 10 years of credited service (reduced 1/2 of 1% for each month under age 67).
The retirement benefit is based on final average compensation and credited service. For regular formula employees, final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. The retirement benefit is calculated on a maximum salary of $106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less.
If the member retires at age 67 or older, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every year on January 1, following the first full year of retirement. The salary limits for calendar year 2018 is $113,645.
If the member retires before age 67 with a reduced retirement benefit, he/she will receive a pension increase of 3% or 1/2 of the Consumer Price Index for the preceding calendar year, whichever is less, every January 1 after the member turns age 67 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</td></tr>
</table>

Additionally, SERS provides an alternative retirement formula for State employees in high-risk jobs, such as State policemen, fire fighters, and security employees. Employees qualifying for benefits under the alternative formula may retire at an earlier age depending on membership in Tier 1 or Tier 2. The retirement formula is 2.5% for each year of covered service and 3.0% for each year of noncovered service.

SERS also provides occupational and nonoccupational (including temporary) disability benefits. To be eligible for nonoccupational (including temporary) disability benefits, an employee must have at least eighteen months of credited service. The nonoccupational (including temporary) disability benefit is equal to 50% of the average rate of compensation of the employee on the date of removal from the payroll. Occupational disability benefits are provided when the member becomes disabled as a direct result of injuries or diseases arising out of and in the course of State employment. The monthly benefit is equal to 75% of the average rate of compensation on the date of removal from the payroll. This benefit amount is reduced by workers' compensation or payments under the Occupational Diseases Act.

Occupational and nonoccupational death benefits are also available through SERS. Certain nonoccupational death benefits vest after eighteen months of credited service. Occupational death benefits are provided from the date of employment.

Contributions

Contribution requirements of active employees and the State are established in accordance with Chapter 40, section 5/14-133 of the Illinois Compiled Statutes (ILCS). Member contributions are based on fixed percentages of covered payroll ranging between 4% and 12.50%. Employee contributions are fully refundable, without interest, upon withdrawal from State employment. Tier 1 members contribute based on total annual compensation. Tier 2 members contribute based on an annual compensation rate not to exceed $113,645 for 2018 with limitations for future years increased by the lessor of 3% or one-half of the annual percentage increase in the Consumer Price Index.

The State is required to make payment for the required departmental employer contributions, all allowances, annuities, any benefits granted under Chapter 40, Article 5/14 of the ILCS and all administrative expenses of SERS to the extent specified in the ILCS. State law provides that the employer contribution rate be determined based upon the results of each annual actuarial valuation.

For fiscal year 2018, the required employer contributions were computed in accordance with the State's funding plan. This funding legislation provides for a systematic 50-year funding plan with an ultimate goal to achieve 90% funding of the plan's liabilities. In addition, the funding plan provided for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the State's contribution will remain at a level percentage of payroll, recomputed annually, for the next 35 years until the 90% funded level is achieved. For state fiscal year 2018, the employer contribution rate was 47.342%. For state fiscal year 2019, the employer contribution rate is 51.614%. The Tollway's contribution amount for calendar year 2018 was $55,197,741.

The Tollway has made all required contributions through December 31, 2018.

Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions

GASB Statement No. 68, as amended by GASB Statement No. 71, requires an allocation of net pension liability and pension expense and to recognize proportionate shares for the primary government and component units, including the Tollway.

At December 31, 2018, the Tollway reported a liability of $882,540,010 for its allocated share of the State's net pension liability for SERS on the statement of net position. The net pension liability was measured as of June 30, 2018 (current year measurement date), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Tollway's portion of the net pension liability was based on the Tollway's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2018. As of the current year measurement date of June 30, 2018, the Tollway's proportion was 2.6698%, which was a decrease of 0.0301% from its proportion of 2.6999% measured as of the prior year measurement date of June 30, 2017.

Change in the net pension liability allocated to the Tollway for the year ended December 31, 2018, is as follows:

	Balance January 1	Additions	Deletions	Balance December 31	Amounts due within one year
Net Pension Liability	$ 888,456,774	$ 97,525,530	$ (103,442,294)	$ 882,540,010	$ -

For the year ended December 31, 2018, the Tollway recognized pension expense of $97.5 million. This expense is higher than the statutory actual contributions made by the Tollway, due to the implementation of GASB Statement No. 68.

At December 31, 2018, the Tollway reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 21,147,944
Changes in assumptions	48,627,972	20,249,920
Net difference between projected and actual investment earnings on pension plan investments	396,768	-
Changes in proportion and differences between Tollway contributions and proportionate share of contributions	10,977,577	9,142,919
Tollway contributions subsequent to the measurement date	29,801,595	-
	$ 89,803,912	$ 50,540,783

(Continued)

The $29.8 million reported as deferred outflow of resources related to pensions resulting from Tollway contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending	Amount
12/31/2019	$ 17,084,574
12/31/2020	7,734,030
12/31/2021	(12,210,796)
12/31/2022	(3,146,276)
Total	$ 9,461,532

Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality: 105% of the RP2014 Healthy Annuitant mortality table, sex distinct, with generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales recently released by the Society of Actuaries.

Inflation: 2.50%

Investment Rate of Return: 7.00%, net of pension plan investment expense, including inflation.

Salary increases: Salary increase rates based on age related productivity and merit rates plus inflation.

Post-retirement benefit increases of 3.00%, compounded, for Tier 1 and the lessor of 3.00% or one-half of the annual increase in the Consumer Price Index for Tier 2.

Retirement Age: Experience-based table of rates specific to the type of eligibility condition. Table was last updated for the June 30, 2014, valuation pursuant to an experience study of the period July 1, 2009 to June 30, 2013.

The long-term expected real rate of return on pension plan investments was determined based on the simulated average 20-year annualized geometric return for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. For each major asset class that is included in the pension plan's target asset allocation, calculated as of the measurement date of June 30, 2018, the 20 year simulated real rates of return are summarized in the following table:

	Asset Allocation	
	Target Allocation	20 Year Simulated Rate of Return
U.S. Equity	23.0%	5.5%
Developed Foreign Equity	13.0%	5.3%
Emerging Market Equity	8.0%	7.8%
Private Equity	7.0%	7.6%
Intermediate Investment Grade Bonds	14.0%	1.5%
Long-Term Government Bonds	4.0%	1.8%
TIPS	4.0%	1.5%
High Yield and Bank Loans	5.0%	3.8%
Opportunistic Debt	8.0%	5.0%
Emerging Market Debt	2.0%	3.7%
Core Real Estate	5.5%	3.7%
Non Core Real Estate	4.5%	5.9%
Infrastructure	2.0%	5.8%
Total	100.0%	

Discount Rate

A discount rate of 6.81% was used to measure the total pension liability as of June 30, 2018. This single blended discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.62%, based on an index of 20-year general obligation bonds with an average AA credit rating as published by the Federal Reserve. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between the statutory contributions and the member rate. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075 at June 30, 2018. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The net pension liability for the plan was calculated using a single discount rate of 6.81%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate as shown below as of June 30, 2018:

	June 30, 2018		
	1% decrease (5.81%)	Current Discount Rate (6.81%)	1% increase (7.81%)
Tollway's net pension liability	$1,068,409,926	$882,540,010	$730,261,786

Payables to the Pension Plan

At December 31, 2018, the Tollway had no payable to SERS for outstanding contributions to the pension plans.

(13) Other Post-Employment Benefits (OPEB)

Plan description

The State Employees Group Insurance Act of 1971 ("Act"), as amended, authorizes the Illinois State Employees Group Insurance Program ("SEGIP") to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. SEGIP includes substantially all employees of State agencies as well as retired employees of The Illinois Toll Highway Authority, Illinois Comprehensive Health Insurance Plan ("ICHIP"), and the State's nine university component units. Members receiving monthly benefits from the General Assembly Retirement System ("GARS"), Judges Retirement System ("JRS"), State Employees' Retirement System of Illinois ("SERS"), Teachers' Retirement System ("TRS"), and State Universities Retirement System of Illinois ("SURS") are eligible for these other post-employment benefits ("OPEB"). Additionally, certain members covered under TRS for pension purposes are eligible for retiree healthcare benefits under the Teachers' Retirement Insurance Program ("TRIP"). Other TRS members eligible for coverage under SEGIP include: certified teachers employed by certain State agencies, executives employed by the Board of Education, regional superintendents, regional assistant superintendents, TRS employees and members with certain reciprocal service.

The Department of Central Management Services administers these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (GARS, JRS, SERS, TRS and SURS). The State recognizes SEGIP OPEB benefits as a single-employer defined benefit plan. The plan does not issue a stand-alone financial report.

Benefits provided

The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State's and the university component units' employees in accordance with limitations established in the Act. Therefore, the benefits provided and contribution amounts are subject to periodic change. Coverage through SEGIP becomes secondary to Medicare after

Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the subsidized SEGIP premium available to Medicare eligible participants. The Act requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time, the benefit amount becomes $5,000.

Funding policy and annual other postemployment benefit cost

OPEB offered through SEGIP are financed through a combination of retiree premiums, State contributions and Federal government subsidies from the Medicare Part D program. Contributions are deposited in the Health Insurance Reserve Fund, which covers both active State employees and retirement members. Annuitants may be required to contribute towards health and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute toward health and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health and vision benefits. All annuitants are required to pay for dental benefits regardless of retirement date. The Director of Central Management Services shall, on an annual basis, determine the amount the State shall contribute toward the basic program of group health benefits. State contributions are made primarily from the General Revenue Fund on a pay-as-you-go basis. No assets are accumulated or dedicated to funding the retiree health insurance benefit and a separate trust has not been established for the funding of OPEB.

For State fiscal year 2019, the annual cost of the basic program of group health, dental, and vision benefits before the State's contribution was $11,269 ($6,699 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and $13,824 ($4,984 if Medicare eligible) if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

Total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense related to OPEB.

GASB 75 requires an allocation of net OPEB liability and OPEB expense and to recognize proportionate shares for the primary government and component units, including the Tollway.

At December 31, 2018, the Tollway recorded a liability of $140,125,903 for its allocated share of the State's net OPEB liability on the statement of net position. The total OPEB liability, as reported at December 31, 2018, was measured as of June 30, 2018, with an actuarial valuation as of June 30, 2017. The Tollway's portion of the net OPEB liability was based on the Tollway's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2018. As of the current year measurement date of June 30, 2018, the Tollway's proportion was .3495%.

For the year ended December 31, 2018, the Tollway recognized OPEB expense of $6.9 million.

At December 31, 2018, the Tollway reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2018, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 35,889	$ 3,085,530
Changes in assumptions	-	13,159,223
Changes in proportion	35,520,771	24,448,322
Tollway contributions subsequent to the measurement date	1,160,889	-
	$ 36,717,549	$ 40,693,075

The amounts reported as deferred outflows of resources related to OPEB resulting from Tollway contributions subsequent to the measurement date will be recognized as a reduction to the OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending	Amount
12/31/2019	$ (2,935,704)
12/31/2020	(2,935,704)
12/31/2021	(2,935,704)
12/31/2022	2,668,752
12/31/2023	1,001,945
	$ (5,136,415)

Actuarial methods and assumptions

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified. The actuarial valuation for the SEGIP was based on GARS, JRS, SERS, TRS, and SURS active, inactive, and retiree data as of June 30, 2017, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2017.

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB liability
Inflation Rate	2.75%
Projected Salary Increases	3.25% - 7.67%
Discount Rate	3.62%
Healthcare Cost Trend Rate **Non-Medicare**	8.0%, gradually decreasing to 4.5%. Additional trend rate of .42% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Post-Medicare	9.0%, gradually decreasing to 4.5%.
Retirees' Share of Benefit-Related Costs	Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement. Members who retire before January 1, 1998, are eligible for single coverage at no cost to the member. Members who retire after January 1, 1998, are eligible for single coverage provided they pay a portion of the premium equal to 5% for each year of service under 20 years. Eligible dependents receive coverage provided they pay 100% of the required dependent premium. Premiums for plan years 2018 and 2019 are based on actual premiums. Premiums after 2019 were projected based on the same healthcare cost trend rates applied per capita claim costs but excluding the additional trend rate that estimates the impact of the Excise Tax.

Additionally, the demographic assumptions used in the OPEB valuation are identical to those used in the June 30, 2017 valuations for GARS, JRS, SERS, TRS, and SURS as follows:

Plan	Mortality
GARS	RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales.
JRS	RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales.
SERS	105 percent of the RP-2014 Healthy Annuitant mortality table, sex distinct; generational mortality improvement factors were added.
TRS	RP-2014 White Collar Annuitant, sex distinct. a fully generational basis using projection table MP-2014.
SURS	RP-2014 White Collar Healthy Annuitant, sex distinct, projected using MP-2014 two dimensional mortality improvement scale.

Discount Rate

Retirees contribute a percentage of the premium rate based on service at retirement. The State contributes additional amounts to cover claims and expenses in excess of retiree contributions. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.56% at June 30, 2017, and 3.62% at June 30, 2018, was used to measure the total OPEB liability.

Sensitivity of total OPEB liability to changes in the single discount rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.62%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.62%) or lower (2.62%) than the current rate:

	June 30, 2018	
1% Decrease[a]	Current Single Discount Rate Assumption	1% Increase[b]
$ 164,280,533	$ 140,125,903	$ 120,951,113

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate

The following presents the plans total OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.0% in 2019 decreasing to an ultimate trend rate of 4.92% in 2026, for non-Medicare coverage, and 9.0% in 2019 decreasing to an ultimate trend rate of 4.5% in 2028 for Medicare coverage.

	June 30, 2018	
1% Decrease[a]	Healthcare Cost Trend Rates Assumption	1% Increase[b]
$ 118,351,631	$ 140,125,903	$ 168,413,887

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.92% in 2026 for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2019, decreasing to an ultimate trend rate of 5.92% in 2026 for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

(Continued)

(14) Risk Management

The Tollway has a self-insured risk program for workers' compensation claims, and is liable to pay all approved claims. Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities include non-incremental claims adjustment expenses. The estimated liabilities for workers' compensation claims of $14,004,210 and incurred but not reported employee health claims of $694,696 as of December 31, 2018, are included in the accompanying financial statements.

Changes in workers' compensation claims payable for the year ended December 31, 2018, are as follows:

Balance at January 1	Additions	Deletions	Balance at December 31	Current Portion
$ 15,175,863	$ 4,882,144	$ (6,053,797)	$ 14,004,210	$ 6,100,000

Changes in health insurance claims payable for the year ended December 31, 2018, are as follows:

Balance at January 1	Additions	Deletions	Balance at December 31	Current Portion
$ 415,014	$ 12,300,617	$ (12,020,935)	$ 694,696	$ 694,696

Additionally, the Tollway purchases commercial insurance policies for general liability insurance and vehicle liability insurance which have a level of retention of $500,000 per occurrence for general liability and $250,000 per occurrence for vehicle insurance. Property insurance coverage for damages to capital assets other than vehicles includes retention of $1,000,000 per occurrence.

The Tollway has not had significant reductions in insurance coverage during the current or prior year nor did settlements exceed insurance coverage in any of the last three years.

(15) Compensated Absences

The accrued compensated absences liability reported in the statement of net position represents the vacation for all years, and 50% of unused sick time for the period beginning January 1, 1984, and ending December 31,1997, accrued by the employees, and is payable upon termination or death of the employee. The payment provided shall not be allowed if the purpose of the separation from employment and any subsequent re-employment is for the purpose of obtaining such payment. The Tollway's liability for unused annual vacation leave and sick leave as defined above is recorded in the accompanying financial statements at the employee's pay rate.

Changes in accrued compensated absences for the year ended December 31, 2018, are as follows:

Balance at January 1	Accrued	Used	Balance at December 31	Due within one year
$ 9,460,421	$ 11,074,135	$ (10,984,302)	$ 9,550,254	$ 6,100,000

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(16) Pledges of Future Revenues

All revenue bonds issued under the Tollway's Trust Indenture are secured by a pledge of and lien on Tollway revenues and certain other funds (excluding amounts reserved for the payment of maintenance and operating expenses) as provided in the Trust Indenture.

Bond issue	Purpose		December 31, 2018 Future pledged revenues	December 31, 2018 Term of commitment
2007 Series A-1 & A-2 Variable Rate Senior Priority Revenue	Fund Congestion-Relief Program	$	981,522,369	2030
2008 Series A-1 & A-2 Variable Rate Senior Refunding Revenue	Refund 2006A Bonds		654,791,582	2031
2009 Series A Senior Priority Revenue (Build America Bonds - Direct Payment)	Fund Congestion-Relief Program		885,226,910	2034
2009 Series B Senior Priority Revenue (Build America Bonds - Direct Payment)	Fund Congestion-Relief Program		542,124,800	2034
2010 Series A-1 Senior Refunding Revenue	Refund 2008A Bonds		406,426,928	2031
2013 Series A Senior Revenue	Fund *Move Illinois* Program		920,499,750	2038
2014 Series A (Refunding) Senior Revenue	Refund 2005A Bonds		427,191,900	2022
2014 Series B Senior Revenue	Fund *Move Illinois* Program		943,625,000	2039
2014 Series C Senior Revenue	Fund *Move Illinois* Program		751,400,000	2039
2014 Series D (Refunding) Senior Revenue	Refund 2006A Bonds		303,681,375	2025
2015 Series A Senior Revenue	Fund *Move Illinois* Program		787,482,500	2040
2015 Series B Senior Revenue	Fund *Move Illinois* Program		787,482,500	2040
2016 Series A (Refunding) Senior Revenue	Refund 2008B Bonds		551,289,750	2032
2016 Series B Senior Revenue	Fund *Move Illinois* Program		595,700,000	2041
2017 Series A Senior Revenue	Fund *Move Illinois* Program		605,935,000	2042
		$	10,144,380,364	

Proceeds from the bonds identified above provided financing or refinancing for the construction and/or improvement of the toll highway system in Illinois. Future projected principal and interest payments on the bonds and, as applicable, net payments on derivative instruments associated with the variable rate bonds (2007 Series A and 2008 Series A) are expected to require approximately 30% of future pledged net revenue (incorporating approved, as of December 31, 2018, future toll rate increases for commercial vehicles). The total principal and interest remaining to be paid on the bonds and net payments remaining to be paid on the derivative instruments associated with the variable rate bonds (2007 Series A and 2008 Series A) is $10.1 billion. Future interest payments on the variable rate bonds (2007 Series A and 2008 Series A) and payments on the derivative instruments associated with the such variable rate bonds are estimated based on rates applicable on December 31, 2018. Principal and interest paid in the current year was $407 million and total pledged net revenue in the current year was $1.1billion.

(17) Commitments

At December 31, 2018, the remaining obligations against current contracts open for capital programs for CRP and "*Move Illinois*" totaled $1.3 billion. The Tollway plans to fund remaining payments under these contracts through revenues, accumulated cash, and bond issue proceeds.

(18) Pending Litigation

There are lawsuits pending against the Tollway claiming, among other things, damages for wrongful discharge and personal injury. The Tollway's exposure is generally limited to the self-insured retention of $500,000 per general liability incident. Also pending are various workers' compensation claims and numerous Administrative Review actions in which individual parties are challenging the results of toll violation enforcement proceedings against them.

Management, after taking into consideration legal counsel's evaluation of such actions, is of the opinion that the outcome of these matters will have no material adverse effect on the financial position of the Tollway.

(19) Contingent Liabilities

A contingent liability is defined as a liability that is not sufficiently predictable to permit recording in the accounts but in which there is a reasonable possibility of an outcome which might affect financial position or results of operations. It is the opinion of management that the Tollway has no liabilities meeting this definition as of December 31, 2018.

(Continued)

(20) New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans* – This statement requires the Tollway to report a proportionate share of the State of Illinois' Other Postemployment Benefits as a liability in its financial statements, and identifies the methods and assumptions that are required to be used to project benefit payments, discounted benefit payments to their actuarial present value and attribute that present value to periods of employee service. This statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and required supplementary information (RSI) reporting requirements. This statement was effective for fiscal years beginning after June 15, 2017. The Tollway implemented this statement in the year ended December 31, 2018, resulting in a restatement of beginning of year net position and the recording of deferred inflows, deferred outflows and net OPEB liability. (see Note 23 – Restatement of Net Position).

GASB Statement No. 82 – *Pension Issues – an Amendment of GASB Statements No. 67, 68, and 73* – This statement amends the definition of covered payroll on which contributions to a pension plan are based, clarifies that a deviation from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with Statements No. 67, 68 or 73, and clarifies that employer contributions on behalf of members should be classified as plan member contributions. This statement is effective for fiscal years beginning after June 15, 2017. This statement did not significantly impact the Tollway's financial statements.

GASB Statement No. 84 – *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities that should be reported in a fiduciary fund. This statement is effective for fiscal years beginning after December 15, 2018. Management has not yet determined the impact of this statement on the Tollway's financial statements.

GASB Statement No. 85 – *Omnibus 2017* – This statement addresses a variety of practice issues that have been identified during implementation of certain GASB Statements. This statement is effective for fiscal years beginning after June 15, 2017. This statement did not significantly impact the Tollway's financial statements.

GASB Statement No. 86 – *Certain Debt Extinguishment issues* – This statement provides guidance for in-substance defeasance of debt in which cash and other monetary assets acquired with existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement is effective for fiscal years beginning after June 15, 2017. This statement did not significantly impact the Tollway's financial statements.

GASB Statement No. 87 – *Leases* – This statement changes the accounting treatment for operating leases. This statement is effective for fiscal years beginning after December 15, 2019. Management has not yet determined the impact of this statement on the Tollway's financial statements.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* – This statement requires that additional information about debt be disclosed in the notes to the financial statements. This statement is effective for fiscal years beginning after June 15, 2018. Management does not expect this statement to have a material impact on the Tollway's financial statements.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period* – This statement requires that interest costs incurred before the end of a construction period should be recognized as a current expense, rather than capitalized and amortized as previously required. The statement is effective for years beginning after December 15, 2019. The Tollway elected to early implement this statement in the year ending December 31, 2018. As a result, the unamortized balance of interest capitalized prior to 2018 continues to be amortized and interest incurred during 2018 and later years will be expensed as incurred.

GASB Statement No. 90 – *Majority Equity Interests* – This statement improves the reporting of a government's majority interest in a legally separate organization. It is effective for years beginning after December 15, 2018. Management does not expect this statement to have a material impact on the Tollway's financial statements.

GASB Statement No. 91 – *Conduit Debt Obligations* – The requirements of this statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations. This statement is effective for reporting periods beginning after December 15, 2020. Management has not yet determined the impact of this statement on the Tollway's financial statements.

(21) Related Parties

The Tollway has entered into various intergovernmental agreements with the State of Illinois, through the Illinois Department of Transportation (IDOT). Intergovernmental receivables of approximately $145.1 million are recorded at December 31, 2018, representing construction projects performed by the Tollway that pertain to the infrastructure owned by IDOT. Accrued liabilities totaling approximately $96.7 million are recorded for amounts owed to IDOT for construction projects IDOT has performed for infrastructure assets owned by the Tollway.

(22) Subsequent Events

On January 1, 2019, a toll rate increase took effect for commercial vehicles, reflecting an increase in the Consumer Price Index (CPI) for All Urban Consumers. This increase was implemented pursuant to the Tollway Board of Directors' approval in 2008 and confirmation in 2011 of annual CPI–based commercial vehicle toll rate increases beginning January 1, 2018 and each year thereafter.

On January 9, 2019, the Tollway, the Trustee, and JPMorgan Chase Bank, N.A. executed an amendment extending the 2008A-2 Liquidity Facility supporting the $94,825,000 Series 2008A-2 Bonds from February 1, 2019, to January 30, 2020.

On January 10, 2019, the Tollway issued $515,250,000 of Toll Highway Senior Revenue Bonds, 2018 Series A (Refunding). The 2018 Series A bonds were issued to refund all $100,000,000 of the Toll Highway Senior Priority Revenue Bonds, 2007 Series A-2a, all $107,500,000 of the Toll Highway Senior Priority Revenue Bonds, 2007 Series A-2b, all $55,000,000 of the Toll Highway Senior Priority Revenue Bonds, 2007 Series A-2c, all $189,600,000 of the outstanding Toll Highway Senior Refunding Revenue Bonds, 2008 Series A-1a, and to fund the costs of terminating two interest rate swap agreements, one associated with the 2007 Series A-2 bonds and one associated with the 2008 Series A-1 bonds, in notional amounts of $262,500,000 and $190,600,000, respectively, and to refund all $78,060,000 of the outstanding term bond maturing January 1, 2024 of the Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (Build America Bonds – Direct Payment).

On February 1, 2019, the Bank of America, N.A., at the request of the Tollway, extended the 2007A-1b Credit Facility supporting the 2007A-1b Bonds and the 2007A-2d Credit Facility supporting the 2007A-2d Bonds, each from March 7, 2019, to March 1, 2021.

Pursuant to Illinois Public Act 100-1180, signed into law by Illinois Governor Pritzker (the "Governor") on February 28, 2019, the Governor appointed nine new directors to The Illinois State Toll Highway Authority (the "Authority") on February 28, 2019. Regarding the two ex-officio directors on the Tollway's Board, with respect to the Governor, JB Pritzker replaced Bruce Rauner on January 14, 2019, and with respect to the Secretary of the Illinois Department of Transportation, Matthew Magalis replaced Randall Blankenhorn effective January 1, 2019, and Omer Osman replaced Matthew Magalis effective February 22, 2019.

On April 18, 2019, José Alvarez was appointed Executive Director of The Illinois State Toll Highway Authority. Mr. Alvarez' employment became effective on May 1, 2019.

On April 18, 2019, the Tollway Board of Directors authorized the issuance of up to $275,000,000 of senior-lien fixed rate revenue bonds for the purpose of refunding all or a portion of the 2010A-1 Bonds.

On May 31, 2019, Moody's Investor Service downgraded the Tollway's bond rating from Aa3 to A1, with a stable outlook. The action, while acknowledging that the Tollway is an independently managed agency, reflects a review of the linkage between the State of Illinois and the Tollway.

The Tollway has been notified by the U.S. Treasury of a 6.2% reduction in U.S. Treasury subsidies of Build America Bond interest payments for the federal fiscal year ending September 30, 2019. This reduction is expected to reduce the subsidy payments earned by the Tollway for: the Series 2009B interest payment due June 1, 2019; the Series 2009A interest payment made in connection with the aforementioned refunding of a portion of the Series 2009A Bonds on January 10, 2019; and the Series 2009A interest payment due July 1, 2019. The total amount of such reductions is expected to be $448,380.

In June 2019, the Tollway expects to sell $300 million of Toll Highway Senior Revenue Bonds, 2019 Series A, to fund a portion of Move Illinois capital program expenditures.

(Continued)

(23) Restatement of Net Position

Effective for the year ended December 31, 2018, the Tollway implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for measuring and recording liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to postemployment benefits other than pensions (OPEB).

As a result of this implementation it was necessary for the Tollway to restate its beginning Net Position to reflect the beginning of the year deferred outflows, deferred inflows and net OPEB liability. This restatement, when coupled with the restatement of unrestricted net position on January 1, 2015, to implement GASB 68, resulted in unrestricted net position becoming negative.

The restatement was as follows:

Net position at December 31, 2017	$ 2,868,186,683
Beginning of year deferred outflows of resources related to OPEB	33,381
Beginning of year deferred inflows of resources related to OPEB	(41,425,564)
Beginning of year net OPEB liability	(104,136,124)
Net position at December 31, 2017 - restated	$ 2,722,658,376

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

(A Component Unit of the State of Illinois)

Schedule of Tollway's Proportionate Share
of the Net Pension Liability of the
State Employees' Retirement System (SERS)
Year ended December 31, 2018

Last 10 Fiscal Years**

	SERS Fiscal Year Ended June 30,				
	2018	**2017*** **	**2016**	**2015**	**2014**
Tollway's proportion of the net pension liability*	2.6698%	2.6999%	2.6382%	2.6261%	2.6826%
Tollway's proportionate share of the net pension liability, pursuant to GASB 68 reporting requirments	$ 882,540,010	$ 888,456,774	$ 900,824,457	$ 733,523,053	$ 727,079,026
Tollway's covered payroll	$ 110,352,910	$ 111,183,988	$ 111,478,841	$ 112,947,877	$ 110,979,470
Tollway's proportionate share of the net pension liability as a percentage of its covered payroll	799.74%	798.78%	808.07%	649.44%	655.15%
Plan fiduciary net position as a percentage of the total pension liability	34.57%	33.44%	30.58%	35.27%	34.98%

* Tollway's proportion of net pension liability is estimated as the percentage of Tollway annual contributions to SERS to total annual contributions to SERS.

** GASB 68 requires disclosure of this information over a 10 year period. However, since GASB 68 was implemented in 2015, applicable information is only available for the five years presented.

*** Effective for fiscal year 2017, GASB Statement No. 82 amends GASB Statement Nos. 67 and 68 to require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based instead of covered-employee payroll, which is the payroll of employees that are provided with pensions though the pension plan.

See accompanying independent auditors' report.

Schedule 2

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

(A Component Unit of the State of Illinois)

Schedule of Contributions to SERS Pension Plan

Year ended December 31, 2018

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2018	$ 73,135,906	$ 55,197,741	$ 17,938,165	$ 110,795,575	49.82%
2017	57,493,911	55,576,566	1,917,345	111,226,982	49.97%
2016	53,283,494	50,197,749	3,085,745	111,478,841	45.03%
2015	53,713,047	48,299,509	5,413,538	112,947,877	42.76%
2014	52,494,228	44,751,713	7,742,515	110,979,470	40.32%

Note: GASB 68 requires disclosure of this information over a 10 year period. However, since GASB 68 was implemented in 2015, applicable information is only available for the four years presented.

Actuarially determined contributions are calculated as of June 30th, which is 6 months prior to the beginning of the fiscal year

* Actual contributions and covered payroll are based on the Tollway's calendar year and were equal to the statutorily required contribution.

See accompanying independent auditors' report.

(Continued)

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

(A Component Unit of the State of Illinois)

Schedule of Tollway's Proportionate Share
of the Net OPEB Liability of the
State's Employee Group Insurance Program (SEGIP)
For the Year Ended December 31, 2018

Last 10 Fiscal Years**

	Fiscal Year Ended June 30,	
	2018	**2017**
Tollway's proportion of the net OPEB liability*	0.3495%	0.2520%
Tollway's proportionate share of the net OPEB liability	$ 140,125,903	$ 104,136,124
Tollway's covered-employee payroll	$ 110,352,910	$ 111,183,988
Proportionate share of Net OPEB liability as a percentage of covered-employee payroll	126.98%	93.66%

* Tollway's proportion of net OPEB liability is estimated as the percentage of Tollway annual contributions to SEGIP to total annual contributions to SEGIP.

** GASB 75 requires disclosure of this information over a 10 year period. However, since GASB 75 was implemented in 2018, applicable information is only available for the two years presented.

See accompanying independent auditors' report.

(Continued)

SUPPLEMENTARY INFORMATION-TRUST INDENTURE AGREEMENT SCHEDULES (NON-GAAP)

Schedule 4

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
(A Component Unit of the State of Illinois)

Schedule of Changes in Fund Balance – by Fund
Trust Indenture Basis of Accounting (Non GAAP)
For the Year Ended December 31, 2018

	Revenue fund	Construction fund	Total
Increases:			
Toll revenue	$ 1,341,051,225	$ -	$ 1,341,051,225
Toll evasion recovery	70,468,847	-	70,468,847
Concessions	2,151,574	-	2,151,574
Interest	34,389,290	-	34,389,290
Miscellaneous	10,080,265	-	10,080,265
Total increases	1,458,141,201	-	1,458,141,201
Decreases:			
Engineering and maintenance of roadway and structures	78,403,526	-	78,403,526
Services and toll collection	141,981,448	-	141,981,448
Traffic control, safety patrol, and radio communications	40,762,248	-	40,762,248
Procurement, IT, finance and administration	47,340,758	-	47,340,758
Insurance and employee benefits	27,873,351	-	27,873,351
Construction	924,922,139	-	924,922,139
Construction expense reimbursed by bond proceeds	(107,175)	107,175	-
Bond principal payments	113,160,000	-	113,160,000
Net funds applied to refunding	-	-	-
Build America bond subsidy	(15,204,506)	-	(15,204,506)
Bond interest and other financing costs	304,089,992	-	304,089,992
Total decreases	1,663,221,781	107,175	1,663,328,956
Change in fund balance	(205,080,580)	(107,175)	(205,187,755)
Fund balance, January 1	1,458,908,297	107,175	1,459,015,472
Fund balance, December 31	$ 1,253,827,717	$ -	$ 1,253,827,717

See accompanying independent auditors' report.

(Continued)

Schedule 4

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
(A Component Unit of the State of Illinois)

Schedule of Changes in Fund Balance – by Fund
Trust Indenture Basis of Accounting (Non GAAP)
For the Year Ended December 31, 2017

	Revenue fund	Construction fund	Total
Increases:			
Toll revenue	$ 1,309,189,509	$ -	$ 1,309,189,509
Toll evasion recovery	65,639,705	-	65,639,705
Concessions	2,298,943	-	2,298,943
Interest	13,947,161	107,175	14,054,336
Miscellaneous	10,742,309	-	10,742,309
Total increases	1,401,817,627	107,175	1,401,924,802
Decreases:			
Engineering and maintenance of roadway and structures	74,054,546	-	74,054,546
Services and toll collection	140,216,808	-	140,216,808
Traffic control, safety patrol, and radio communications	37,908,301	-	37,908,301
Procurement, IT, finance and administration	32,076,751	-	32,076,751
Insurance and employee benefits	35,281,760	-	35,281,760
Construction	791,437,194	-	791,437,194
Construction expense reimbursed by bond proceeds	(332,134,852)	332,134,852	-
Bond principal payments	88,860,000	-	88,860,000
Net funds applied to refunding	-	-	-
Build America bond subsidy	(15,147,651)	-	(15,147,651)
Bond interest and other financing costs	295,926,195	-	295,926,195
Total decreases	1,148,479,052	332,134,852	1,480,613,904
Net increases (decreases)	253,338,575	(332,027,677)	(78,689,102)
Bond proceeds	16,628,548	332,715,302	349,343,850
Bond issuance costs	-	(580,450)	(580,450)
Net bond proceeds	16,628,548	332,134,852	348,763,400
Change in fund balance	269,967,123	107,175	270,074,298
Fund balance, January 1	1,188,941,174	-	1,188,941,174
Fund balance, December 31	$ 1,458,908,297	$ 107,175	$ 1,459,015,472

See accompanying independent auditors' report.

(Continued)

Schedule 5

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

(A Component Unit of the State of Illinois)

Schedule of Changes in Fund Balance – Revenue Fund – by Account

Trust Indenture Basis of Accounting (Non GAAP)

For the Year Ended December 31, 2018

	Revenue fund and accounts							
		Maintenance and operations						
	Revenue account	Operating sub account	Operating reserve sub account	Debt service	Debt service reserve	Renewal and replacement	Improvement	Total
Increases:								
Toll revenue	$ 1,341,051,225	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,341,051,225
Toll evasion recovery	70,468,847	-	-	-	-	-	-	70,468,847
Concessions	2,151,574	-	-	-	-	-	-	2,151,574
Interest	8,269,361	-	-	2,509,226	6,786,385	5,924,437	10,899,881	34,389,290
Miscellaneous	10,080,265	-	-	-	-	-	-	10,080,265
Intrafund transfers	(1,440,591,069)	335,995,985	-	410,555,862	-	420,000,000	274,039,222	-
Total increases	(8,569,797)	335,995,985	-	413,065,088	6,786,385	425,924,437	284,939,103	1,458,141,201
Decreases:								
Engineering and maintenance of roadway and structures	-	78,403,526	-	-	-	-	-	78,403,526
Services and toll collection	-	141,981,448	-	-	-	-	-	141,981,448
Traffic control, safety patrol, and radio communications	-	40,762,248	-	-	-	-	-	40,762,248
Procurement, IT, finance and administration	-	47,340,758	-	-	-	-	-	47,340,758
Insurance and employee benefits	-	27,873,351	-	-	-	-	-	27,873,351
Construction expenses	-	-	-	-	-	578,695,020	346,227,117	924,922,137
Construction expenses reimbursed by bond								-
proceeds	-	-	-	-	-	-	(107,175)	(107,175)
Bond principal payments	-	-	-	113,160,000	-	-	-	113,160,000
Gain/loss on defeased bonds	-	-	-	-	-	-	-	-
Build America bond subsidy	-	-	-	(15,204,506)	-	-	-	(15,204,506)
Interest and other financing costs	-	-	-	303,883,095	206,897	-	-	304,089,992
Total decreases	-	336,361,331	-	401,838,589	206,897	578,695,020	346,119,942	1,663,221,779
Net increase (decrease)								
Transfer of Excess Debt Reserve Funds	-	-	-	7,080,000	(7,080,000)	-	-	-
Change in fund balance	(8,569,797)	(365,346)	-	18,306,499	(500,512)	(152,770,583)	(61,180,839)	(205,080,578)
Fund balance, January 1	13,981,289	16,754,093	27,400,000	45,271,329	390,672,823	415,245,853	549,582,910	1,458,908,297
Reallocation of prior year fund balance	5,003,011	-	-	-	-	-	(5,003,011)	-
Fund balance, December 31	$ 10,414,503	$ 16,388,747	$ 27,400,000	$ 63,577,828	$ 390,172,311	$ 262,475,270	$ 483,399,060	$ 1,253,827,719

See accompanying independent auditors' report.

(Continued)

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

(A Component Unit of the State of Illinois)

Schedule of Changes in Fund Balance – Revenue Fund – by Account

Trust Indenture Basis of Accounting (Non GAAP)

For the Year Ended December 31, 2017

	Revenue fund and accounts							
		Maintenance and operations						
	Revenue account	Operating sub account	Operating reserve sub account	Debt service	Debt service reserve	Renewal and replacement	Improvement	Total
Increases:								
Toll revenue	$ 1,309,189,509	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,309,189,509
Toll evasion recovery	65,639,705	-	-	-	-	-	-	65,639,705
Concessions	2,298,943	-	-	-	-	-	-	2,298,943
Interest	2,194,811	-	-	1,017,539	3,727,854	3,015,674	3,991,283	13,947,161
Miscellaneous	10,742,309	-	-	-	-	-	-	10,742,309
Intrafund transfers	(1,389,006,697)	323,693,305	-	388,969,138	-	420,000,000	256,344,254	-
Total increases	1,058,580	323,693,305	-	389,986,677	3,727,854	423,015,674	260,335,537	1,401,817,627
Decreases:								
Engineering and maintenance of roadway and structures	-	74,054,546	-	-	-	-	-	74,054,546
Services and toll collection	-	140,216,809	-	-	-	-	-	140,216,809
Traffic control, safety patrol, and radio communications	-	37,908,301	-	-	-	-	-	37,908,301
Procurement, IT, finance and administration	-	32,076,751	-	-	-	-	-	32,076,751
Insurance and employee benefits	-	35,281,760	-	-	-	-	-	35,281,760
Construction expenses	-	-	-	-	-	289,596,111	501,841,083	791,437,194
Construction expenses reimbursed by bond proceeds	-	-	-	-	-	-	(332,134,852)	(332,134,852)
Bond principal payments	-	-	-	88,860,000	-	-	-	88,860,000
Gain/loss on defeased bonds	-	-	-	-	-	-	-	-
Build America bond subsidy	-	-	-	(15,147,651)	-	-	-	(15,147,651)
Interest and other financing costs	-	-	-	295,719,298	206,897	-	-	295,926,195
Total decreases	-	319,538,167	-	369,431,647	206,897	289,596,111	169,706,231	1,148,479,053
Net increase (decrease)	1,058,580	4,155,138	-	20,555,030	3,520,957	133,419,563	90,629,306	253,338,574
Bond proceeds	-	-	-	-	16,628,548	-	-	16,628,548
Net funds applied to refunding	-	-	-	-	-	-	-	-
Change in fund balance	1,058,580	4,155,138	-	20,555,030	20,149,505	133,419,563	90,629,306	269,967,122
Fund balance, January 1	12,922,709	12,598,955	27,400,000	24,716,299	370,523,318	281,826,290	458,953,604	1,188,941,175
Fund balance, December 31	$ 13,981,289	$ 16,754,093	$ 27,400,000	$ 45,271,329	$ 390,672,823	$ 415,245,853	$ 549,582,910	$ 1,458,908,297

See accompanying independent auditors' report.

(Continued)

(1) Summary of Significant Accounting Policies

The Trust Indenture requires the Tollway to provide separate funds for construction (Construction Fund) and for operations (Revenue Fund), which funds are not annually appropriated by the Illinois General Assembly. The Trust Indenture permits the Tollway to create additional accounts for the purpose of more precise accounting. The Illinois State Treasurer holds monies for the Tollway as ex-officio custodian and has recorded these monies in a custodial account. Part of this account is part of the Maintenance and Operation Account within the Revenue Fund.

Prior to fiscal year 2005, the Tollway issued separate annual financial statements, prepared on the basis of accounting described below, in order to demonstrate compliance with the requirements of the Trust Indenture (Trust Indenture Annual Statements). Beginning in 2005, the Tollway has included schedules, prepared on the basis of accounting described below, in the supplementary information section of this report. The Tollway believes that these schedules, along with the GAAP basis financial statements contained in this report, are sufficient to demonstrate compliance with the annual financial reporting requirements of the Trust Indenture. As a result, separate Trust Indenture Annual Statements are no longer prepared. Certain items in the presentation of the Trust Indenture information contained herein vary from the presentation previously used in the Trust Indenture Annual Statements. In addition, the schedules contained in this section of the report present only the Revenue Fund and the Construction Fund. Previously, the Trust Indenture Annual Statements included “Infrastructure and Long-term Debt Accounts,” which was optional reporting allowed under the Trust Indenture.

Basis of Accounting

Under the provisions of the Trust Indenture, the basis of accounting followed for the Construction Fund and the Revenue Fund within the Schedule of Changes in Fund Balance by Fund, differs in certain respects from accounting principles generally accepted in the United States of America.

The major differences are as follows:

1. Capital construction and asset acquisitions are charged against fund balance as incurred. In addition, there is no provision for depreciation.

2. Monies received from sale of assets are recorded as revenue when the cash is received.

3. Monies received for long-term fiber optic leases are recorded as revenue when received.

4. Principal retirements on revenue bonds are expensed when paid. The results of defeasement are accounted for as revenue or expense at the time of the transaction.

5. Bond proceeds (including premiums) are recorded as income in the year received. Amounts received from refunding issuances, if any, are recorded net of transfers to the escrow agent.

6. Unrealized gains and losses on Debt Reserve invested funds are netted against interest and other financing costs.

7. Capital lease obligations are not recorded. Payments under capital leases are expensed in the period payments are made.

8. Interest related to construction in progress is not capitalized.

9. Recoveries of expenses are classified as decreases in operating expenses for Trust Indenture reporting and as miscellaneous operating revenue for GAAP.

10. In Trust Indenture reporting, transponder purchases and other miscellaneous expenses are reflected in the Renewal and Replacement fund as capital expense. For GAAP the expenses are reflected as an operating expense.

11. Construction expenses incurred under intergovernmental agreements are decreased by payments received under these intergovernmental agreements.

12. Prepaid expenses are recorded only if refundable for Trust Indenture reporting.

13. The provisions of GASB Statement No. 68 regarding net pension liability and deferred outflows and inflows of resources are not reflected in the Trust Indenture reporting. Pension expense reflects the statutory contributions required under Chapter 40, section 5/14 of the Illinois Compiled Statutes.

14. The provisions of GASB Statement No. 75 regarding net OPEB liability and deferred outflows and inflows of resources are not reflected in the Trust Indenture reporting.

Therefore, the accompanying Schedules of Changes in Fund Balance by Fund, which are prepared in accordance with the aforementioned accounting principles, are not intended to, and do not, present the financial position or the results of operations in accordance with accounting principles generally accepted in the United States of America.

A description of the individual accounts within the Revenue Fund and Construction Fund, as well as the required distribution of revenues collected, is as follows:

The Revenue Fund

All revenues received by the Tollway other than investment income shall be delivered by the Tollway to the Treasurer, for deposit in the Revenue Fund. On or before the 20th day of each month the Treasurer shall, at the direction of the Tollway, transfer or apply the balance as of such date of transfer in the Revenue Fund not previously transferred or applied in the following order of priority:

A. To the Operating Sub-Account, operating expenses set forth in the annual budget for the fiscal year in an amount equal to one-twelfth of the total approved budget, less all other amounts previously transferred by the Treasurer for deposit to the credit of the Operating Sub-Account during that fiscal year, less the balance, if any, which was on deposit to the credit of the Operating Sub-Account on December 31 of the preceding fiscal year.

B. To the Operating Reserve Sub-Account, the amount specified by the Tollway, but not to exceed 30% of the amount annually budgeted for operating expenses.

C. To the Interest Sub-Account, an amount equal to interest due on unpaid bonds, plus one-sixth of the difference between the interest payable on bond and interest due within the next six months.

D. To the Principal Sub-Account, an amount equal to any principal due plus one-twelfth of any principal of such outstanding senior bonds payable on the next principal payment date.

E. To the Redemption Sub-Account, an amount for each bond equal to one-twelfth of any sinking fund installment of outstanding bonds payable within the next twelve months.

F. To the Provider Payment Sub-Account, amounts as provided in any supplemental indenture for paying costs of credit enhancement or qualified hedge agreements for bonds or for making reimbursements to providers of credit enhancement or qualified hedge agreements for bonds.

G. To the Debt Service Reserve Account, an amount sufficient to cause the balance in it to equal the debt reserve requirement and to make reimbursement to providers of reserve account credit facilities.

H. To the Junior Bond Debt Service or Junior Bond Debt Reserve Account, any amounts required by applicable supplemental indentures.

I. To the Renewal and Replacement Account, one-twelfth the portion of the renewal and replacement amount set forth in the annual budget for the fiscal year.

J. The balance of such amounts in the Revenue Funds are to be applied as follows:

   1) To the credit of the Improvement Account for allocation to a project as determined by the Tollway in its sole discretion, until the balance in the Account is equal to the improvement requirement or a lesser amount as the Tollway may from time to time determine.

   2) To the credit of the System Reserve Account, the entire amount remaining in the Revenue Fund after depositing or allocating all amounts required to be deposited to the credit of the above Accounts and Sub-Accounts.

Maintenance and Operation Account

The Maintenance and Operation Account consists of the Operating Sub-Account and the Operating Reserve Sub-Account. Moneys in the Operating Sub-Account are applied to operating expenses at the direction of the Tollway.

Revenues are transferred to the Operating Sub-Account to cover the expenses set forth in the annual budget for the current fiscal year. One-twelfth of the operating expenses outlined in the annual budget are transferred to this account once a month. Revenue is recorded on an accrual basis and as such may not be available for allocation until the cash is collected.

The Operating Reserve Sub-Account receives or retains an amount not to exceed 30% of the amount budgeted for operating expenses in the annual budget for the current fiscal year. Monies in the Operating Reserve Sub-Account are held as a reserve for the payment of operating expenses and are to be withdrawn if moneys are not available to the credit of the Operating Sub-Account to pay operating expenses.

If the Tollway determines that the amount in the Operating Reserve Sub-Account exceeds that amount necessary, the excess will be withdrawn from such Sub-Account and applied as revenues. By resolution, the Board voted to maintain a $27.4 million fund balance in this account.

Debt Service Account

The Debt Service Account consists of the Interest Sub-Account, the Principal Sub-Account, the Redemption Sub-Account, and the Provider Payment Sub-Account, to be held by the Trustee.

Revenues are required to be deposited to cover the interest and principal amounts due and unpaid for bonds, credit enhancement or qualified hedge agreements. Revenues must also be deposited to the credit of the Debt Reserve Account in an amount sufficient to cause the balance in it to equal the debt reserve requirement.

The Debt Reserve Account receives funds to provide an amount sufficient to cause the balance in it to equal the debt reserve requirement and to make any required reimbursement to providers of reserve account credit facilities.

Renewal and Replacement Account

Revenues must be credited to the Renewal and Replacement Account in an amount set forth in the annual budget for the renewal and replacement deposit. An amount set forth in the budget shall be determined based on recommendations of the Consulting Engineer. Additional funds can be transferred to this account by the Tollway, based on the capital plan expenditures.

Improvement Account

At the direction of the Tollway, the balance of amounts in the Revenue Fund are applied to the Improvement Account, for allocations to projects, determined by the Tollway, until the balance in the Account is equal to the improvement requirement.

(Continued)

System Reserve Account

At the direction of the Tollway, the balance in the Revenue Fund is deposited to the credit of the System Reserve Account to provide for deficiencies in any other account or sub-account. If all accounts have sufficient funds, System Reserve Account funds can be used to pay off debt, fund construction projects, make improvements, or pay for any other lawful Tollway purpose. There were no balances or activity in the System Reserve Account during 2018.

The Construction Fund

The Construction Fund is held as a separate segregated fund. The Construction Fund receives funds from the sale of bonds (other than refunding bonds) and investment of proceeds. The Treasurer establishes and maintains within the Construction Fund a separate, segregated account for each Project, the costs of which are to be paid in whole or in part out of the Construction Fund.

(2) Miscellaneous

The following items are reported as Bond Interest and Other Financing Costs:

Components of Bond Interest and Other Financing Costs - 2018

	Debt Service	Debt Reserve	Total
Bond interest expense	$ 298,708,832	$ -	$ 298,708,832
Other financing costs	5,174,262	206,897	5,381,159
	$ 303,883,094	$ 206,897	$ 304,089,991

Other Information:

- Construction and Other Capital Expenses for Renewal and Replacement and Improvement include accrued expenses.
- Bond interest expense includes accrued interest payable at December 31, 2018.
- In November 2008, the Tollway purchased a $100 million surety bond. This policy is being amortized over the life of the bonds (24.1 years). The amortization is shown in the debt reserve column above.
- Cash and investment balances held by the Trustee at December 31, 2018, are $178.5 million in the Debt Service accounts, and $386.5 million in the Debt Reserve account.
- Insurance and Employee Benefits includes expense for retirement, worker's compensation, the employer portion of FICA, and medical insurance.

APPENDIX B

CONSULTING ENGINEERS' REPORT

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Consulting Engineers Report

TOLL HIGHWAY SENIOR REVENUE BONDS
2019 SERIES B

October 28, 2019

Illinois Tollway

wsp
ILLINOIS
TOLLWAY GEC

CONSULTING ENGINEERS REPORT [1]

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[1] **Important**: This report is subject to limitations contained in the Official Statement and Part 7.0 below.

1 Illinois Tollway History and Capital Program Background

The Illinois Tollway is a user-financed administrative agency of the State of Illinois whose purpose is to operate, maintain and service a system of toll roads located in Northern Illinois (Illinois Tollway system). The Illinois Tollway began in 1953 as the Illinois State Toll Highway Commission, created by an act of the Illinois State Legislature. The Illinois State Toll Highway Commission was directed by the Legislature to construct the original 187 miles of the Illinois Tollway system that included the Tri-State, Northwest (now the Jane Addams Memorial) and East-West (now the Reagan Memorial) Tollways. These routes opened to traffic in 1958. On April 1, 1968, the Illinois State Toll Highway Commission became the Illinois State Toll Highway Authority (hereafter referred to as the Illinois Tollway).

The Illinois Tollway system has played a key role in the transportation network in Northern Illinois. When it opened in 1958, it was originally envisioned as a bypass to route traffic around the urban core of Chicago. Over the last six decades, the Illinois Tollway system has evolved to also serve commercial and commuter traffic throughout Northern Illinois and within the Chicago metropolitan region. Expansion of the system through the construction of extensions, new routes and capacity improvements were implemented to keep pace with overall traffic growth in the region and the demand for reliable and efficient transportation. Improvements to the Illinois Tollway system have been made in coordination with and in response to regional and state-level transportation planning objectives.

1.1 Prior Legislative Directives

The Illinois Tollway system has grown over the last six decades as a result of several legislative directives:

- In 1970, the Governor approved the construction of the Reagan Memorial Extension (originally called the East-West Extension), between IL Route 56 west of Aurora and US Route 30 near Sterling – Rock Falls, which added an additional 69.5 miles to the system. This extension was included in the original authorization for the Illinois Tollway system but was not included in the original construction. This route was opened to traffic in 1974.
- In 1984, the Illinois State Legislature directed the Illinois Tollway to construct the Veterans Memorial Tollway (originally called the North-South Tollway), which added an additional 17.5 miles to the system. This route opened to traffic in 1989.
- In July 1993, the Illinois General Assembly authorized the Illinois Tollway to construct the south extension of the Veterans Memorial Tollway from I-55 to I-57. The portion from I-55 to I-80 opened to traffic in November 2007. The portion from I-57 to I-80 has not moved forward. The following projects authorized in July 1993 have also not moved forward: a north extension of Illinois Route 53 from Lake-Cook Road to Illinois Route 120 in Grayslake and east to I-94, and a Richmond Extension from Illinois Route 120 in Grayslake to the Illinois-Wisconsin border near Richmond, Illinois.
- In 1995, the Illinois Tollway was authorized to construct the Elgin O'Hare Extension and the Western O'Hare Bypass. Studies by the Illinois Department of Transportation have been completed for the Elgin O'Hare Extension and the Western O'Hare Bypass. The projects are now known as Illinois Route 390 (IL 390) and I-490 respectively and are

identified within the *Move Illinois* Program described below. In addition, the *Move Illinois* Program includes studies for a northern extension of the Veterans Memorial Tollway (Illinois Route 53), referred to as the Tri-County Access Study.

1.2 Illinois Tollway Capital Projects & Programs Overview

Illinois Tollway capital expenditures are generally categorized into two categories, Improvement (I) and Renewal and Replacement (RR). Expenditures classified as improvements are typically those that add capacity/lane miles and/or improve operations of the existing system. Expenditures classified as renewal and replacement projects are those intended for the purposes of maintaining the existing, baseline system at a state of good repair.

Multi-year capital programs are packages of capital projects that are periodically developed and implemented over a period of years to address the evolving transportation goals and needs of the region and to ensure the longevity of the system, as well as create jobs, stimulate local economy and alleviate congestion. Funding for these programs is provided through user fees (i.e., tolls), concession and miscellaneous revenues, investment earnings and revenue bonds.

1.2.1 Congestion-Relief Program: 2004 - 2016

In 2004, the Illinois Tollway Board approved a $5.3 billion 10-Year Congestion-Relief Plan to address the condition of existing infrastructure, congestion, the needs of growing communities and the enhancement of local economies. Known as the Congestion-Relief Program (CRP), this program evolved through the regional long-range planning process, coordination with local communities and planning agencies, a comprehensive re-evaluation of the entire Illinois Tollway system and an extensive review of the condition of the Illinois Tollway's then 274-miles of roadways and structures.

The key components of the CRP were to reconstruct or rehabilitate nearly all of the aging infrastructure across the Illinois Tollway system and to convert the mainline toll plazas to open road tolling in order to eliminate the need for users to stop and pay tolls on the mainline. Many existing corridors were widened to provide additional capacity, and I-355 was extended 12 miles south from I-55 to I-80.

The CRP was closed out in 2018 having achieved all program goals.

1.2.2 Move Illinois: The Illinois Tollway Driving the Future

In 2011, the Illinois Tollway Board approved the 15-year *Move Illinois* capital improvement program to address the overall age and condition of the system not reconstructed in the CRP, as well as provide additional mobility and congestion-relieving improvements. The *Move Illinois* Program is discussed in more detail in the subsequent section of this report.

2 Move Illinois: The Illinois Tollway Driving the Future

As required by the Toll Highway Act, the Illinois Tollway undertook a process to develop a long-term capital plan, which resulted in a comprehensive 15-year capital program to complete the rebuilding of the 55-year-old system and commit approximately $12 billion in transportation funding to improve mobility, relieve congestion, reduce pollution and link economies across Northern Illinois. *Move Illinois: The Illinois Tollway Driving the Future* (*Move Illinois* Program) mapped out the Illinois Tollway's next capital program for 2012 – 2026.

The basis for *Move Illinois: The Illinois Tollway Driving the Future* was a capital needs analysis performed by Illinois Tollway staff and consultants that included a comprehensive assessment of the current and future physical and operational characteristics of the entire Illinois Tollway system. Previous long-range plans were reevaluated, the needs of communities and stakeholders were catalogued, and new technology and transit opportunities were explored.

On August 25, 2011, the Illinois Tollway Board of Directors approved a $12.1 billion long-range plan for the Illinois Tollway system known as *"Move Illinois: The Illinois Tollway Driving the Future."* Upon Board approval, it became known as the "*Move Illinois* Program". The key goals of the *Move Illinois* Program are to:

- Save drivers time and money
- Stimulate and drive the economic engine
- Build a 21st century transportation system
- Take care of the existing system
- Be the "cleanest and greenest" program in history

These goals ensure national and international competitiveness with other major cities in the U.S. and around the world. To achieve these goals, a program was developed using a two-pronged approach: maintain the existing Illinois Tollway system and enhance regional mobility with new priority projects. The program and the projects that make up *Move Illinois* are described in detail in later sections of this report, including an amendment of the program that increased its cost from $12.15 billion to $14.27 billion, which such cost is currently estimated at $14.175 billion.

Bond proceeds and Illinois Tollway revenues are being used to fund *Move Illinois*. The program outlined in this report funds necessary improvements to the existing Illinois Tollway system. These needs are programmed to be performed at the time appropriate to maintain the existing 294 centerline miles in a state of good repair. These projects include:

- Reconstruct, and widen for significant portions, the Central Tri-State Tollway (I-294) from 95th Street to Balmoral Avenue and the Edens Spur (I-94)
- Reconstruct and widen the Jane Addams Memorial Tollway (I-90) from near O'Hare to the I-39 interchange in Rockford (substantially completed)
- Preserving the Reagan Memorial Tollway (I-88)
- Preserving the Veterans Memorial Tollway (I-355)
- Repairing roads, bridges and maintenance facilities
- Other capital projects

In addition, the program funds new priority projects that focus on enhancing regional mobility, including:

- Constructing a new interchange at I-294/I-57 and 147th Street ramps
- Completing Elgin O'Hare Western Access, including rehabilitation and widening of the existing IL 390, construction of an extension of IL 390, and construction of I-490 between I-90 and I-294
- Implementing features to accommodate transit and provide increased flexibility for passenger vehicles on the Jane Addams Memorial Tollway (I-90)
- Planning for other routes as determined by the Board of Directors

The Consulting Engineers rely on the Program Management Office (PMO) to provide scopes of work and estimates of construction costs. The PMO utilizes several methods for verifying the various types of estimates, and the Consulting Engineers believe that the cost-tracking and estimating practices presently used by the PMO for *Move Illinois* are appropriate.

It should be noted that under the Consulting Engineers contract, cost-estimating services are provided to the Illinois Tollway and are directed by the PMO. The Consulting Engineers provided the PMO with annual costs associated with major maintenance for segments of the system required before reconstruction or rehabilitation projects are implemented. These costs are included in the Bridge and Ramp Repairs and other projects described within this section.

The project construction costs (for projects other than Systemwide Improvements) and durations were developed by the PMO and are predicated on the following basic assumptions:

1. Project construction will be in general conformance with past Illinois Tollway practices
2. Construction scope and schedule shall be as described below
3. Construction costs are escalated to the mid-point of construction
4. Escalation rate is 5% APR, compounded annually, unless noted otherwise
5. No unforeseen conditions / circumstances or unusual price escalation not currently identified will occur

As year five of the $12.1 billion *Move Illinois* Program began, the Illinois Tollway went through a process to validate corridor estimates across the program. The program estimates were adjusted to account for less than expected cost escalation since 2012. In addition, contracts completed in the early years of the program have closed out. As a result of the less than expected cost escalation, favorable construction industry market conditions and closing of projects, expenditures have been less than anticipated in some corridors, such as the Tri-State I-294/I-57 Interchange, Systemwide Maintenance Facilities, Reagan Memorial Tollway (I-88), Veterans Memorial Tollway (I-355) and Tri-State Edens Spur (I-94). This provided an opportunity to re-allocate funds into the Tri-State corridor where the funds could be better utilized as the corridor progresses through design development.

In April 2017, the Illinois Tollway Board of Directors authorized an amendment of the *Move Illinois* Program which increased the amount for the central portion (Balmoral Avenue – 95th Street) of the Tri-State Tollway (I-294) (the "Central Tri-State") by approximately $2.1 billion, from $1.9 billion to $4.0 billion, increasing the total cost of the *Move Illinois* Program from $12.15 billion to $14.27 billion. The current cost estimate is $14.175 billion. Enhancements included in the new Central Tri-State scope will allow the Illinois Tollway to rebuild roadway and improve bridges on the 22-mile-long portion of I-294, as well as construct additional lanes to relieve congestion, improve interchanges to increase access and work to deliver solutions for stormwater, noise abatement and freight.

The table below provides the estimated annual program expenditures required to fund the current *Move Illinois* Program. This table is based upon information provided by: (i) the Illinois Tollway for the years 2012 through 2018; and (ii) the PMO, for the years 2019 through 2026.

Table 1: Move Illinois Program – Estimated Program Expenditures

Year	Move Illinois Program Estimated Program Expenditures [1] (Millions)
2012	$108.2
2013	$502.2
2014	$886.7
2015	$1,239.2
2016	$985.2
2017	$747.0
2018	$919.5
2019	$1,078.6
2020	$1,461.5
2021	$1,467.0
2022	$1,229.4
2023	$1,007.1
2024	$1,050.9
2025	$782.3
2026	$709.7
Total	**$14,174.6**

Notes: [1]

From time to time, the Illinois Tollway may receive reimbursements under various intergovernmental agreements. Estimated program expenditures do not assume credit for such reimbursements with the following exceptions:

- For completed years (2012-2018), the totals are net of reimbursements received under various intergovernmental agreements, totaling $80.4 million.
- A credit of $300 million is assumed for the Elgin O'Hare Western Access project (EOWA). The program anticipates contributions from local, federal and other sources valued at approximately $300 million in years 2017-2023 for interchange and access improvements, of which agreements totaling $171.7 million have been received.

The following Sections 2, 3.1 and 3.2 provide descriptions of major projects within the Move Illinois Program, including cost and timing estimates. The total of all cost estimates is $14.254 billion. The difference between that total and the total shown in the table above is the $80.4 million received under various intergovernmental agreements referenced in the second footnote above.

2.1 Jane Addams Memorial Tollway (I-90)

2.1.1 Kennedy Expressway to Elgin Toll Plaza – Reconstruct / Add Lane

Length: 25.0 miles

Project Description: Reconstruct & widen from six to eight lanes.

Project Benefits:

- Provide congestion relief by expanding the roadway from six to eight lanes
- Provide median lane and median shoulder widening in each direction
- Improve safety and mobility throughout the corridor
- Reduce annual maintenance costs
- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Upgrade to current standards and operational requirements

Construction Period: 2013-2016

Total Cost (Escalated): $1,479.0 million

The estimated project cost was adjusted from $1,477.6 million in the June 2019 Consulting Engineers Report due to the contract closeout process.

2.1.2 Elgin Toll Plaza to IL Route 47 – Reconstruct / Add Lane

Length: 7.5 miles

Project Description: Reconstruct & widen from four lanes to six lanes.

Project Benefits:

- Provide congestion relief by expanding the roadway from four to six lanes
- Provide median lane and median shoulder widening in each direction
- Improve safety and mobility throughout the corridor
- Reduce annual maintenance costs
- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Upgrade to current standards and operational requirements

Construction Period: 2013-2015

Total Cost (Escalated): $202.2 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.1.3 IL Route 47 to I-39 – Reconstruct / Add Lane

Length: 29.0 miles

Project Description: Reconstruct & widen from four to six lanes.

Project Benefits:

- Provide congestion relief by expanding the roadway from four to six lanes
- Provide median lane and median shoulder widening in each direction
- Improve safety and mobility throughout the corridor
- Reduce annual maintenance costs
- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Upgrade to current standards and operational requirements

Construction Period: 2013-2015

Total Cost (Escalated): $482.0 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.1.4 Kennedy Expressway to I-39 – Transit Accommodation

Length: 61.5 miles

Project Description: Miscellaneous improvements to allow future transit accommodation that are contracted as part of the roadway and bridge reconstruction and widening projects. The costs of median lane widening and median shoulder widening to accommodate transit are included in the section costs above. This widened cross section could be used for future operational improvements. SMART technology initiatives are also included within the main roadway sections above.

Project Benefits:

- Allow operation of a Bus Rapid Transit (BRT) system (by others)
- Allow for accommodation of rail transit in the future (by others)
- Provide basic infrastructure for lane management of transit and Illinois Tollway system users

Construction Period: 2013-2015 (Note: Transit Accommodation construction timeline includes those forecasted in main roadway sections above)

Total Cost (Escalated): $0.9 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.1.5 Kennedy Expressway to I-39 – ROW Acquisition

Length: 61.5 miles

Project Description: Acquire right-of-way (ROW) and easements necessary for roadway and bridge reconstruction and widening.

Project Benefits:

- Allow projects to move forward with optimal design elements

Construction Period: 2012-2016

Total Cost (Escalated): $13.3 million

The estimated project cost was adjusted from $13.1 million in the June 2019 Consulting Engineers Report due to updated acquisition costs.

2.1.6 Kennedy Expressway to I-39 – Utility and Fiber Optic Relocation

Length: 61.5 miles

Project Description: Relocate Illinois Tollway-owned fiber optic and private utilities to accommodate roadway and bridge reconstruction and widening.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernize utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2012-2016

Total Cost (Escalated): $158.0 million

The estimated project cost was adjusted from $159.7 million in the June 2019 Consulting Engineers Report due to updated estimates for utility projects and fiber optic relocations.

2.1.7 Kennedy Expressway to I-39 – Bridge and Ramp Repairs

Length: 61.5 miles

Project Description: Reconstruct or rehabilitate crossroad bridges and ramps.

Project Benefits:

- Upgrade to current standards and operational requirements
- Preserve and maintain the crossroad structures and ramps
- Reduce maintenance costs

Construction Period: 2013-2026

Total Cost (Escalated): $24.0 million

No adjustments were made from the June 2019 Consulting Engineers Report.

2.2 Tri-State Tollway (I-94/I-294/I-80)

2.2.1 95th Street to Balmoral Avenue – Reconstruct

Length: 22.3 miles

Project Description: Reconstruction of existing eight lanes and capacity enhancement from widening.

Project Benefits:

- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Better accommodate current and future traffic demand with the addition of a Flex Lane
- Improved operations at the I-290 Interchange
- Improvements at I-55 to reduce mainline congestion
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2026

Total Cost (Escalated, 4%): $3,639.7 million

The estimated project cost was adjusted from $3,652.5 million in the June 2019 Consulting Engineers Report due to a reduction of $18 million in escalation costs resulting from accelerating several projects, primarily made possible by modified maintenance of traffic plans, as well as updated cost estimates.

2.2.2 Edens Spur – Reconstruct

Length: 5.0 miles

Project Description: Reconstruct existing four lanes of pavement.

Project Benefits:

- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2020

Total Cost (Escalated): $109.1 million

The estimated project cost was adjusted down from $113.7 million from the June 2019 Consulting Engineers Report due to adjusted contract projections.

2.2.3 Bishop Ford Expressway to Russell Road – Bridge and Ramp Repairs

Length: 78.0 miles

Project Description: Reconstruct or rehabilitate crossroad bridges and ramps.

Project Benefits:

- Upgrade to current standards and operational requirements
- Preserve and maintain the crossroad structures and ramps
- Reduce maintenance costs

Construction Period: 2012-2026

Total Cost (Escalated): $272.4 million

The estimated project cost was adjusted up from $267.8 million from the June 2019 Consulting Engineers Report due to updated cost estimates for the remaining project repairs.

2.2.4 Bishop Ford Expressway to Russell Road – ROW Acquisition

Length: 78.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide right-of-way and easements for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements

Construction Period: 2017-2022

Total Cost (Escalated): $178.8 million

The construction period end date was adjusted from the June 2019 Consulting Engineers Report from 2021 to 2022 and the total cost was reduced from $184.0 million to reflect updated costs of acquiring parcels required for the reconstruction project.

2.2.5 Bishop Ford Expressway to Russell Road – Utility and Fiber Optic Relocation

Length: 78.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide relocation of fiber optic and private utilities for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2017-2022

Total Cost (Escalated): $162.3 million

The construction period end date was adjusted from the June 2019 Consulting Engineers

Report from 2021 to 2022 primarily due to updated schedules for fiber optic maintenance and management. No adjustment in cost.

2.3 Veterans Memorial Tollway (I-355)

2.3.1 I-55 to Boughton Road, Collector-Distributor Roads, North Avenue to Army Trail Road – Mill, Patch and Overlay

CONSTRUCTION COMPLETE

Length: 17.5 miles

Project Description: Rehabilitate remaining original (1992) I-355 pavement between I-55 and Army Trail Road. Add safety improvements throughout.

Project Benefits:

- Preserve and maintain the existing pavement
- Improve ride quality and traffic flow
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2013

Total Cost (Escalated): $19.8 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.3.2 I-55 to Army Trail Road – Mill, Patch and Overlay

Length: 17.5 miles

Project Description: Second rehabilitation of the original I-355 pavement between I-55 and Army Trail Road.

Project Benefits:

- Preserve and maintain the existing pavement
- Improve ride quality and traffic flow
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2019

Total Cost (Escalated): $135.6 million

The cost was adjusted from $132.6 million from the June 2019 Consulting Engineers Report due to updated contract projections.

2.3.3 I-80 to Army Trail Road – Bridge and Ramp Repairs

Length: 30.0 miles

Project Description: Reconstruct or rehabilitate crossroad bridges and ramps.

Project Benefits:

- Upgrade to current standards and operational requirements
- Preserve and maintain the crossroad structures and ramps
- Reduce maintenance costs

Construction Period: 2018-2026

Total Cost (Escalated): $108.4 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.3.4 I-80 to Army Trail Road – ROW Acquisition

Length: 30.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide right-of-way and easements for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements

Construction Period: 2019

Total Cost (Escalated): $0.5 million

No adjustments in cost from June 2019 Consulting Engineers Report.

2.3.5 I-80 to Army Trail Road – Utility and Fiber Optic Relocation

Length: 30.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide relocation of fiber optic and private utilities for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2018-2019

Total Cost (Escalated): $1.3 million

No adjustments in cost from June 2019 Consulting Engineers Report.

2.4 Reagan Memorial Tollway (I-88)

2.4.1 York Road to I-290 - Reconstruct

Length: 1.5 miles

Project Description: Reconstruct existing four and six lanes of pavement.

Project Benefits:

- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2019

Total Cost (Escalated): $60.5 million

The estimated cost was adjusted from $59.2 million in the June 2019 Consulting Engineers Report due to updated contract projections.

2.4.2 East-West Connector Road Between I-294 and I-88 – Reconstruct

Length: 3.7 miles

Project Description: Reconstruct existing four lanes of pavement.

Project Benefits:

- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2019-2020

Total Cost (Escalated): $30.6 million

This estimated project cost was adjusted from $29.4 million in the June 2019 Consulting Engineers Report due to updated contract projections.

2.4.3 IL Route 251 to IL Route 56 – Mill, Patch and Overlay

Length: 38.1 miles

Project Description: Rehabilitate existing four lanes of pavement.

Project Benefits:

- Preserve and maintain existing pavement
- Improve ride quality and traffic flow
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2019

Total Cost (Escalated): $169.1 million

The estimated project cost was adjusted from $169.6 million in the June 2019 Consulting Engineers Report due to updated contract projections.

2.4.4 Aurora Toll Plaza to IL Route 59 – Mill, Patch and Overlay

Length: 5.5 miles

Project Description: Rehabilitate existing six lanes of pavement.

Project Benefits:

- Preserve and maintain existing pavement
- Improve ride quality and traffic flow
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2014, 2020-2021

Total Cost (Escalated): $48.6 million

The estimated project cost was adjusted from $50.2 million in the June 2019 Consulting Engineers Report due to updated cost estimates.

2.4.5 U.S. Route 30 to I-290 – Bridge and Ramp Repairs

Length: 96.5 miles

Project Description: Reconstruct or rehabilitate crossroad bridges and ramps.

Project Benefits:

- Upgrade to current standards and operational requirements
- Preserve and maintain the crossroad structures and ramps
- Reduce maintenance costs

Construction Period: 2013, 2019 and 2021-2026

Total Cost (Escalated): $50.6 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.4.6 U.S. Route 30 to I-290 – ROW Acquisition

Length: 96.5 miles

Project Description: As necessary during reconstruction or repair projects, will provide right-of-way and easements for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements

Construction Period: 2016-2020

Total Cost (Escalated): $0.4 million

Total cost adjusted from $1.2 million in the June 2019 Consulting Engineers Report due to updated estimates of right of way acquisition costs.

2.4.7 U.S. Route 30 to I-290 – Utility and Fiber Optic Relocation

Length: 96.5 miles

Project Description: As necessary during reconstruction or repair projects, will provide relocation of fiber optic and private utilities for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2018-2020

Total Cost (Escalated): $0.6 million

No adjustments in cost from June 2019 Consulting Engineers Report.

2.5 I-294 / I-57 Interchange

2.5.1 Ramps to/from Memphis & 147th Street Ramps

Length: N/A

Project Description: Construct the new system interchange at I-294 and I-57, as well as the 147th Street ramps.

Project Benefits:

- Provide economic benefit to the region
- Add access between two major interstates

Construction Period: 2012-2014

Total Cost (Escalated): $ 115.0 million (Illinois Tollway Commitment)

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.5.2 Tri-State Tollway (I-294) / I-57 Interchange – New Ramps and Structures

Length: N/A

Project Description: Construct new ramps to complete system interchange at I-294 and I-57.

Project Benefits:

- Provide economic benefit to the region
- Add access between two major interstates

Construction Period: 2019-2022

Total Cost (Escalated, 4% APR): $201.4 million (Illinois Tollway Commitment)

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.5.3 Tri-State Tollway (I-294) / I-57 Interchange – ROW Acquisition

Length: N/A

Project Description: Acquire right-of-way and easements necessary for roadway and bridge reconstruction and widening.

Project Benefits:

- Allows project to move forward with optimal design elements

Construction Period: 2013-2017 and 2020-2021

Total Cost (Escalated): $12.0 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

2.5.4 Tri-State Tollway (I-294) / I-57 Interchange – Utility and Fiber Optic Relocation

Length: N/A

Project Description: Relocate Illinois Tollway-owned fiber optic and private utilities to accommodate roadway and bridge reconstruction and widening.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2013-2015 and 2020-2021

Total Cost (Escalated): $3.3 million

No adjustments in cost from June 2019 Consulting Engineers Report.

2.6 Elgin O'Hare Western Access Project, IL 390 and I-490

2.6.1 EOWA: IL 390 From US 20 to IL 83 – Roadway and Bridge Construction

Length: 10 miles

Project Description: Repairs to existing IL 390 (formerly Elgin O'Hare Expressway) from US 20 to IL 53; Widening of the existing IL 390 between IL 19 and IL 53; Construction of new four-lane (with auxiliary lanes) facility from west of IL 53 to IL 83, ROW acquisitions.

Project Benefits:

- Provide economic benefit to the region
- Improve travel efficiency – reduce congestion on the local street network
- Provide access to the west side of O'Hare Airport
- Facilitate multimodal opportunities

Construction Period: 2013-2017

IL 390 Cost: $953.0 million

The estimated cost for the IL 390 project was adjusted from the previous amount of $948.0 million as stated in the June 2019 Consulting Engineers Report. Minor increases are due to closeout reconciliation (credits and quantity adjustments) and do not change the overall EOWA cost.

2.6.2 I-490 South Leg From I-294 to Western Access Interchange – New Roadway Construction

Length: 7.7 miles

Project Description: Construction of a new four-lane facility from the extension of IL 390 to I-294 to the south, including O'Hare ramp connections, ROW acquisitions.

Project Benefits:

- Provide economic benefit to the region
- Improve travel efficiency – reduce congestion on the local street network
- Provide access to the west side of O'Hare Airport
- Facilitate multimodal opportunities

Construction Period: 2016-2026

I-490 South Leg Cost (Escalated): $1,412.0 million

The estimated cost for the IL 390 project was adjusted from the previous amount of $1,486 million as stated in the June 2019 Consulting Engineers Report. Decreases within the I-490 South Leg are due to revised packaging and re-alignment of construction between this segment and the I-490 North Leg segment.

NOTE: Previous scope and budget transfer associated with construction of I-294 mainline work has been re-aligned to the Central Tri-State Corridor. This action resulted in a Net-Zero cost change to the Move Illinois Program through an overall decrease to the previous EOWA Corridor Budget from $3,299 million down to $3,266 million offset by corresponding increases to Central Tri-State.

2.6.3 I-490 North Leg from Western Access Interchange to I-90 – New Roadway Construction

Length: 3.1 miles

Project Description: Construction of a new four-lane facility from north of the Western Access Interchange to I-90, including collector - distributor roadways along I-90, ROW acquisitions.

Project Benefits:

- Provide economic benefit to the region
- Improve travel efficiency – reduce congestion on the local street network
- Provide access to the west side of O'Hare Airport
- Facilitate multimodal opportunities

Construction Period: 2016-2024

I-490 North Leg Cost (Escalated): $901.0 million

The estimated cost for the I-490 project was adjusted from the previous amount of $832.0 million as stated in the June 2019 Consulting Engineers Report. Increase to I-490 North Leg is attributed to revised packaging and re-alignment of construction between this segment and the I-490 South segment.

EOWA Funding by Others – The assumed EOWA corridor funding sources consist of $3.266 billion of funding by the Illinois Tollway and $300 million of funding by other sources. Funding by other sources is expected to include local government contributions in the form of grants and in-kind contributions, including land and right-of-way (ROW), design, utility and materials. Commitments for approximately half of the assumed funding from other sources has been obtained.

2.7 Planning for Other Projects

2.7.1 Planning for Other Projects

Length: N/A

Project Description: Planning studies for other routes as determined by the Board of Directors.

Project Benefits:

- Study and preparation of planning studies, including Environmental Impact Statements.

Construction Period: N/A

Total Cost (Escalated): $121.1 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

3 Systemwide Improvements and Initiatives

3.1 Systemwide Maintenance Facilities

Maintenance Facilities – Reconstruct / Relocate / Rehabilitate

Locations:

- M-1 (Alsip) – Reconstruct
- M-3 (Park Ridge) – Reconstruct
- M-5 (Schaumburg) – Reconstruct
- M-6 (Marengo) – Reconstruct
- M-7 (Rockford) – Reconstruct
- M-8 (Naperville) – Reconstruct / Relocate
- M-11 (DeKalb) – Rehabilitate
- M-12 (Dixon) - Rehabilitate

Project Description: Reconstruct, relocate or rehabilitate aging maintenance facilities.

Project Benefits:

- Optimize maintenance operations to meet expanded system needs
- Reduce annual facilities maintenance costs

Construction Period: 2013-2025

Total Cost (Escalated): $370.0 million

The cost was adjusted from $337.9 million in the June 2019 Consulting Engineers Report due to updated cost estimates and identified repairs.

3.2 Systemwide Improvements

3.2.1 Infrastructure Renewal – Bridge, Pavement, Drainage and Safety Appurtenance Repairs

Length: N/A

Project Description: Annual bridge, pavement, drainage and safety appurtenance repairs and upgrades which are not included in the major corridor improvements.

Project Benefits:

- Preserve and maintain existing infrastructure
- Upgrade to current standards and operational requirements

Construction Period: 2012-2026

Total Cost (Escalated): $682.0 million

The estimated project cost was adjusted from $717.2 million in the June 2019 Consulting Engineers Report to reflect updated cost estimates for the remaining project repairs in conjunction with the adjustments noted in corridors previously discussed.

3.2.2 Infrastructure Enhancements – Business Systems and Toll Collection Upgrades

Length: N/A

Project Description: Business Systems and Information Technology upgrades, including toll collection systems and related software to keep pace with and incorporate best practices

Project Benefits:

- Optimize all toll collection operations

Construction Period: 2013-2026

Total Cost (Escalated): $109.9 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

3.2.3 Infrastructure Enhancements – Information Technology and Intelligent Transportation System Upgrades

Length: N/A

Project Description: Intelligent Transportation System (ITS) upgrades, including communications tower replacements and related software to keep pace with and incorporate best practices.

Project Benefits:

- Ensure reliability of communication network
- Improve traffic and incident management

Construction Period: 2012-2026

Total Cost (Escalated): $170.1 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

3.2.4 Non-Roadway Projects

Length: N/A

Project Description: Annual miscellaneous capital expenditures, including transponders, vehicles, computers and other items that are critical to the Illinois Tollway's day-to-day operations.

Project Benefits:

- Maintain the state-of-good-repair
- Modernize the current systems

Construction Period: 2017-2026

Total Cost (Escalated): $895.8 million

No adjustments in cost from June 2019 Consulting Engineers Report.

3.2.5 Access Expansion – Service Interchanges

Length: N/A

Project Description: Source of matching funds for construction of two service interchanges in accordance with the Illinois Tollway Interchange Policy.

Project Benefits:

- Construct interchanges on the existing system
- Provide economic benefit to the region

Construction Period: 2012-2019

Total Cost (Escalated): $125.8 million (Illinois Tollway Commitment)

No adjustments in cost from the June 2019 Consulting Engineers Report.

3.2.6 Toll Collection Upgrades – Plaza Modifications for Electronic Tolling Upgrades

Length: N/A

Project Description: Implement mainline and ramp plaza modifications to accommodate electronic toll collection upgrades.

Project Benefits:

- Reduce operational and maintenance costs
- Reduce environmental impacts
- Improve operational efficiency

Construction Period: 2016-2026

Total Cost (Escalated): $274.9 million

No adjustments in cost from June 2019 Consulting Engineers Report.

3.2.7 Program Support

Length: N/A

Project Description: Program management, project management, technical and administrative service contracts.

Project Benefits:

- Program management to execute projects efficiently and to manage budget and schedule

Construction Period: 2012-2026

Total Cost (Escalated): $514.2 million

The estimated project cost was adjusted from $516.7 million in the June 2019 Consulting Engineers Report due to updated cost estimates.

3.2.8 Utility and Fiber Optic Relocation

Length: 0.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide relocation of fiber optic and private utilities for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2014-2018

Total Cost (Escalated): $9.7 million

No adjustments in cost from the June 2019 Consulting Engineers Report.

3.2.9 Systemwide Right-of-Way

Length: 0.0 miles

Project Description: Acquire right-of-way and easements necessary for interchange improvements, maintenance facilities.

Project Benefits:

- Allows project to move forward with optimal design elements

Construction Period: 2018-2020

Total Cost (Escalated): $36.0 million

A systemwide ROW account was established in 2018 to purchase right-of-way and easements necessary for interchange improvements at I-90 and IL 23, as well as right-of-way needed for M-5 and M-8 reconstruction and the acquisition of a central warehouse. The account was increased from $32.9 million from the June 2019 Consulting Engineers Report due to updated right of way acquisition costs.

3.3 Intelligent Transportation System

Deployment of Intelligent Transportation System (ITS) on the Illinois Tollway began in the late 1980s with the installation of Road Weather Information Systems (RWIS) for monitoring atmospheric and pavement conditions during inclement weather. The system was further expanded with the construction of a systemwide fiber optic communications network and the I-PASS electronic tolling initiative in the late 1990s.

The Illinois Tollway's first traffic operations center (TOC) opened in 2003. The TOC employs a Traffic Incident Management System (TIMS) software package, which is monitored and controlled from the TOC at the Central Administration (CA) building. The TIMS software package is a management platform that allows operators to monitor traffic conditions in real-time, manage response and clearance of incidents, monitor construction zones and communicate with a variety of stakeholders, including Illinois Tollway staff, other Traffic Management Centers, the media and directly to the motorist. The TOC was integrated (two-way) with the computer-aided dispatch (CAD) system a year later. An early review of the impact of the CAD-TIMS integration resulted in a 24% reduction in incident response times.

In 2005, the Illinois Tollway launched the CRP to rebuild and widen major segments of the Illinois Tollway system, implement open road tolling and add a 12-mile extension to one of four interstate routes that comprise the Illinois Tollway system. The CRP contained funding to advance ITS as part of the capital program. ITS deployments continued, and the integration of incident management was further developed early in the CRP implementation process.

Since then, the Illinois Tollway ITS system has been expanded and enhanced to reduce the incident timeline (the time from once an incident is detected, to the time the incident is cleared, and the roadway is returned to normal conditions) to include a systemwide network of communications, monitoring and traveler information tools. This system has enhanced the Illinois Tollway's ability to meet the overarching traffic and incident management goals and objectives of improving the mobility, efficiency and safety of the Illinois Tollway roads.

To date, the Illinois Tollway ITS system includes the following primary components that are integrated into TIMS:

- Systemwide fiber optics and communications equipment
- Closed Circuit Television (CCTV) camera surveillance– for detecting, verifying and monitoring congestion and incidents
- Dynamic Message Signs (DMS) – for providing traveler information such as travel time, roadway conditions and incidents to motorists ahead of major decision points on the roadway
- Vehicle Detection Systems (VDS) – both microwave and in-pavement sensors for measuring volume, vehicle speed and roadway occupancy on both the mainline and ramps. The data from this detection system provides the basis for the Illinois Tollway's posted travel times
- Portable Changeable Message Signs (PCMS) – for providing traveler information to motorists on a short-term basis or within construction zones
- Weigh-in-Motion (WIM) – to assist overweight vehicle enforcement measuring the weight of vehicles moving at highway speeds

- Road Weather Information Systems (RWIS) – to assist roadway operations to prepare and respond to snow and ice events by measuring atmospheric and pavement conditions
- Wireless Queue/Count Stations – for automatic queue detection, wrong way driver detection and traffic counting
- Bluetooth detection devices – to allow for ease of traffic monitoring, particularly in construction zones

Since 2010, the Illinois Tollway's focus has shifted from significant expansion of the ITS system, which coincided with the broader CRP, to filling in gaps in the system with devices to better manage traffic operations while maintaining and improving the existing assets. While additional deployment has scaled down compared to years past, the system has continued to expand as part of both standalone ITS projects and the "mainstreaming" of the ITS system within larger roadway rehabilitation projects.

The first corridor-wide solar-powered / wireless communications CCTV & Roadway Sensor project was undertaken in 2013. Since then, 28 elements have been implemented and fully utilized. By 2015, these 28 elements have been converted to AC power with fiber optic communications (FOC). Additionally, during 2014, units were installed to maintain Jane Addams Memorial Tollway (I-90) corridor ITS operations east of the Fox River. These units were upgraded with the Jane Addams Memorial Tollway (I-90) corridor reconstruction/widening. Intermediate Power Distribution & Communication (IPDC) facilities were installed along the I-90 corridor west of the Fox River.

Continued ITS rehabilitation and replacement occur through small systemwide and capital contracts that include Microwave Vehicle Detection Systems (MVDS) replacement (end of lifecycle), Type 2 DMS installations near ramp queue locations, new CCTV installations not originally scoped as part of the *Move Illinois* Program, systemwide ramp queue detectors and a permanent truck scale at Maintenance Facility M-2 (Hillside)

New CCTV and MVDS equipment support poles have been designed and implemented that provide less deflection during windy conditions, allowing for better observation of the roadway at the TOC. The ITS guide drawings and specifications were developed in 2015 and have since been implemented in construction contracts.

In 2017, the Illinois Tollway opened the first "smart corridor" in the system. The Jane Addams Memorial Tollway (I-90) is funded under the current Program. This corridor includes a combination of traditional Illinois Tollway ITS devices, including CCTV and MVDS, and provides enhanced full color/full matrix DMS capable of illustrating color and graphic messages. The corridor also includes new ITS devices, including a Lane Control System (LCS) over each lane. The LCS can indicate if a specific lane or lanes are open (green arrow), closed (red "X") or merging (yellow diagonal arrow), alerting drivers to change lanes and avoid incidents. The goal is to increase roadway safety and efficiency through this implementation.

Major deployments in 2018 include the following:

- Improved maintenance and management systems with the goals of reducing system downtime, including a pilot preventative maintenance contract for 200 ITS devices
- Commenced design activities for CCTV gap analysis, queue detection, communication upgrade and continued DMS upgrades within the system. Under the ITS Design Upon Request (DUR) contracts, two ITS standalone contracts were designed and bid for construction. These contracts used a new design scheme with “typical” site design plans to reduce the cost of design and construction. More than 300 ITS devices were included in these contracts.

Major initiatives planned for 2019 include the following:

- Continued design activities for CCTV gap analysis, queue detection, communication upgrade and continued DMS upgrades within the system
- Testing third-party data – This would involve the procurement and testing of a variety of private sector crowdsourced data. The congestion points and travel times will be compared against existing sources. An analysis of the cost effectiveness, accuracy and level of granularity will help determine if the approach should be used systemwide.
- Wrong-Way Driver Detection and Warning System Pilot testing
- Lane-by-lane detection – The current microwave detection does not provide sufficient level of accuracy required for certain specific new functions. To address this, more robust and accurate lane-by-lane detection is required in selected locations. Options will need to be studied and a new technology chosen.
- Implement Time-of-Day Shoulder Running
- The largest continuing efforts will continue to be the ongoing operation and maintenance of the TIMS and CAD systems. These two systems are critical to the management of incidents and traffic across the system. Components of each are discussed later in this document.

3.4 Environmental Initiatives

The Illinois Tollway is committed to protecting the environment and implementing numerous green initiatives throughout the Illinois Tollway system and its construction projects. During the 2018 calendar year, environmental initiatives throughout the Illinois Tollway included both the continuation of previous commitments along with innovative programs. The following is a summary.

3.4.1 Wetland and Waters Mitigation

Fox River Forested Fen Forest Preserve:

The Illinois Tollway partnered with the City of Elgin and the Forest Preserve District of Kane County for the purchase of a high-quality forested fen wetland, one of two in the state. Located at IL Route 25 off of the Jane Addams Memorial Highway (I-90), just north of Trout Park, the site was designated as an Illinois nature preserve in 2014. This marked the first time an Illinois Tollway mitigation site gained this designation. Maintenance on the site, performed by the Forest Preserve District of Kane County in 2018, consisted of herbicide treatment of invasive species re-sprouts and other undesirable plant species.

Orland Grassland South:

The Illinois Tollway developed, advertised and let a construction contract for the restoration of a 162-acre site near Orland Park known as Orland Grassland South. Restoration activities include native planting and seeding, invasive species control, removal of drain tiles, creation of a snake hibernaculum and the restoration of a section of tributary to Marley Creek. Public access was provided with the construction of a new entrance road, parking lot and a path system. The work began in the fall of 2014 and was completed in 2018. Vegetative and hydrological maintenance and monitoring is ongoing through February 2020.

Formerly farmland, the property is owned by the Forest Preserve District of Cook County and is adjacent to the 960-acre Orland Grassland Preserve, which provides important breeding habitat for grassland birds. The restoration of Orland Grassland South provides an expansion of the important Orland Grassland Preserve Illinois Natural Areas Inventory (INAI) site. Approximately 58 acres of wetlands were restored to offset impacts from the reconstruction/widening of the Jane Addams Memorial Tollway (I-90).

Spring Brook No. 1 Creek Stream Restoration:

The Illinois Tollway provided funds to the Forest Preserve District of DuPage County to restore Spring Brook No. 1 Creek within the St. James Farm Forest Preserve in Warrenville. This was to offset IL 390 corridor construction water impacts. Restoration activities included re-meandering the creek back to its pre-settlement configuration, which has reduced flooding and improved water quality. Restoration also provided aesthetic improvements to enhance the natural setting of the popular recreational site. The Forest Preserve District of DuPage County awarded the construction contract for the stream restoration effort in early 2015. Maintenance and monitoring of the site took place throughout 2017.

Pine Dunes Wetland Mitigation:

The Illinois Tollway partnered with the Lake County Forest Preserves beginning in 2014 to restore a 315-acre parcel known as Pine Dunes Forest Preserve. Approximately 52 acres of wetland restoration and 33 acres of wetland enhancement were established for mitigation of impacts from the IL 390 corridor construction. Additionally, 158 acres of upland agricultural land has been restored to native grassland, and 6,800 linear feet of surface water was restored. The project also included a parking lot, restroom, drinking water and nearly 3 miles of bike path.

This addition to the Lake County Forest Preserves has added to a large ecological complex consisting of over 5,300 acres of natural habitat that is protected as open space in northern Lake County. Substantial completion of the work on the site was reached in late fall of 2015. A large-scale planting was completed in 2017, with 2,400 trees and 2,400 shrubs planted in 2017, along with continued maintenance activities. Moving forward, vegetative and hydrological maintenance and monitoring of the site is planned to continue through 2020.

Pollinator Habitat Program

With the listing of the rusty patched bumble bee, and the monarch butterfly being evaluated for listing, as endangered under the Endangered Species Act, the Illinois Tollway has initiated a Pollinator Habitat Program and is establishing pollinator habitat within its ROW. In order to promote the establishment of pollinator habitat within these areas, the Illinois Tollway has developed specific seed mixes that include native flowers that are important to pollinators in this region. To date, the Illinois Tollway has incorporated 923 acres of pollinator habitat as part of the Illinois Tollway's Best Management Practices and construction of wetland mitigation sites. Approximately 300 more acres of habitat are anticipated to be planted over the remaining years of the *Move Illinois* Program.

3.4.2 Landscape and Tree Planting Initiative

The Systemwide Landscape Master Plan was finalized in December 2017 with the goal of establishing and maintaining healthy tree communities throughout the Illinois Tollway's 294 miles, 5 corridors and 12 counties. In partnership with The Morton Arboretum, the Master Plan leverages existing efforts in creating and nurturing current and future tree communities in the region focused on increasing the region's tree canopy. The initial planting efforts commenced in the Spring of 2018 as part of the Illinois Tollway's goal of planting 58,000 trees in support of the program, and to date, over 30% of this goal has been achieved with the planting of more than 18,400 trees. The Master Plan also includes functional planting of shrubs at strategic locations to help reduce snow drifting on pavement while complementing Illinois Tollway environmental programs and initiatives.

3.4.2.1 Experimental Tree Planting Areas

Planning efforts for experimental tree planting were completed in 2017 in collaboration with The Morton Arboretum. Implementation of this program has commenced in 2018 along I-355 and, once complete, will be monitored to assess the impact of soil preparation, tree species composition and soil moisture on overall tree health and growth along the Illinois Tollway. Researchers will rigorously examine the effects of different tree species mixtures, soil treatments, maintenance and pruning practices. The results from this work will be used to drive a cost-benefit analysis that will help inform the Illinois Tollway of optimal tree planting strategies throughout the Illinois Tollway system. These analyses will be used as a guide for future Illinois Tollway landscape projects, and knowledge gained can be shared with other transportation agencies to promote successful planting strategies throughout Illinois, the Midwest region and beyond.

3.4.3 NPDES MS4 Inspection and Annual Reporting

The Illinois Tollway maintains compliance with the Illinois Environmental Protection Agency's (EPA) Storm Water Management Program ILR40 Permit conditions (ILR40 Permit) under the Small Municipal Separate Storm Sewer System (MS4), permit number ILR400494. An inspection of the entire system is completed annually and includes outfall inspections, illicit discharge detection and visual dry weather screening.

The Illinois EPA issued a new ILR40 Permit that became effective March 1, 2016. The Illinois Tollway Environmental Unit is currently studying procedures and policies to identify the most efficient means for complying with other new permit requirements.

3.4.4 INVEST Program

The Illinois Tollway continues to utilize the Infrastructure Voluntary Evaluation Sustainability Tool (INVEST) process developed by the Federal Highway Administration (FHWA) that enables transportation agencies to assess the sustainability of their projects and systems as a whole. The Illinois Tollway customized the FHWA's INVEST program by incorporating supplements to existing FHWA criteria and creating new criteria. In 2018, the INVEST team assessed the Illinois Tollway using the System Planning and Operations and Maintenance modules to determine system scores. The 2018 System Planning and Operations and Maintenance scores continue to maintain the highest level of achievement, platinum.

In 2018, the Illinois Tollway also used the INVEST Project Development module to evaluate forty-five in-progress design and construction contracts with a construction cost exceeding $10 million. None of the projects evaluated with INVEST reached construction substantial complete in 2018. Projects that reached construction substantial completion in 2013 and 2014 averaged a silver rating, while projects in 2015, 2016 and 2017 averaged a gold rating.

Planners, designers (including engineers of various disciplines), construction managers, contractors and Illinois Tollway employees have been participating in a rigorous sustainability process, including project scoring and workshops that involve brainstorming sustainability practices. The Illinois Tollway's INVEST Program not only improves Illinois Tollway sustainability, which directly benefits its customers and the community, it also provides exposure to sustainable principles and practices to many industry professionals. These professionals can in turn incorporate sustainable principles and practices into other jobs they are involved with throughout the region and country.

3.4.5 Stormwater Management

Several storm events have occurred throughout the Illinois Tollway's history, resulting in pavement flooding. The Consulting Engineers have listed known flooding issues with the potential to impact the traveling public. Until mitigation measures are completed in each of these locations, the Consulting Engineers monitor them during, or following, severe rain events to evaluate the public impacts and provide recommendations to the Illinois Tollway. All of the listed flooding concerns are in locations where mitigation efforts may be incorporated into the current capital programs.

Table 2: Flooding Locations and Mitigation

Location	Mitigation Status
I-294 & Cermak Ave	In design (I-17-4299)
I-294 & Archer Ave	In design (I-17-4296)
I-294 & St. Charles	In design (I-17-4301)
I-294 & 95th Street	In design (I-17-4296)
SB Balmoral Ramp to I-294	In design (I-17-4303)
NB I-294 to Hinsdale Oasis	In design (I-17-4298)
WB I-88 near Watson Road	Under construction (RR-16-4254)
SB I-355 near Boughton Road	Under construction (RR-16-4255)
I-94 near Lake Forest Oasis	Under construction (RR-17-4341)

3.5 System Growth

The following table depicts how the Illinois Tollway system will grow throughout the implementation of the *Move Illinois* Program. All lanes (mainline, auxiliary, ramps and toll plaza manual lanes) are included. The basis of these values was determined by mapping all of the Illinois Tollway's lanes individually and categorizing them appropriately. As improvement projects add new lanes, such as IL 390, I-490 and I-294, the total lane mile values may be revised accordingly in future versions of this and/or other reports, based on the evolution of those designs.

The system growth projections from 2018 to 2026 are based on calculations provided by the Design Corridor Managers (DCM) of the respective improvement projects, current as of the date of this report. Based upon the proposed project scopes, specifically those that increase capacity on the mainline, add interchange ramps and add mainline elements, the overall system lane-mile total is expected to grow by 17.85% from 2012 through 2026.

Table 3: Growth of the Illinois Tollway System per Corridor (By Lane Miles)

Tollway	2012	2013	2014	2015	2016	2017	2018
Tri-State (I-294 & I-94)	781.0	781.0	793.1	795.7	794.9	794.9	794.9
Jane Addams (I-90)	473.2	476.9	543.8	545.4	615.6	615.6	616.1
Ronald Reagan (I-88)	527.7	527.7	528.5	530.1	530.1	530.1	530.1
Veterans (I-355)	262.3	262.3	262.3	262.3	263.1	263.1	263.1
EOWA (IL 390 and I-490)	0.0	0.0	0.0	0.0	51.4	73.3	73.3
Total Lane Miles	2,044.2	2,047.9	2,127.7	2,133.5	2,255.1	2,277.0	2,277.5
% Increase - Annual		0.18%	3.90%	0.27%	5.70%	0.97%	0.02%
% Increase - Aggregate		0.2%	4.1%	4.4%	10.3%	11.4%	11.4%

Tollway	2019	2020	2021	2022	2023	2024	2025	2026
Tri-State (I-294 & I-94)	794.9	800.2	811.9	811.9	814.9	823.9	847.1	847.1
Jane Addams (I-90)	616.1	616.1	616.1	616.1	616.1	616.1	616.1	616.1
Ronald Reagan (I-88)	530.1	530.1	530.1	530.1	530.1	530.1	530.1	530.1
Veterans (I-355)	263.1	263.1	263.1	263.1	263.1	263.1	263.1	263.1
EOWA (IL 390 and I-490)	77.4	78.0	111.4	117.6	142.3	142.3	153.1	153.1
Total Lane Miles	2,281.6	2,287.5	2,332.6	2,338.8	2,366.5	2,375.5	2,409.5	2,409.5
% Increase - Annual	0.18%	0.26%	1.97%	0.27%	1.18%	0.38%	1.43%	0.00%
% Increase - Aggregate	11.6%	11.9%	14.1%	14.4%	15.8%	16.2%	17.9%	17.9%

4 Condition of the Illinois Tollway System

The Illinois Tollway continues to function as an essential component of the transportation network in Northern Illinois. As part of the current *Move Illinois* Program to date:

- Approximately 21.5% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program was reconstructed and widened
- Reconstruction and widening of the Jane Addams Memorial Tollway (I-90) east of Mill Road to the Eastern Terminus has been completed
- Construction of a new interchange for the Tri-State Tollway (I-294) with Interstate 57 has commenced with the initial phase ramps opened in 2014
- Rehabilitation and widening of the Illinois Route 390 Tollway west of Rohlwing Road was completed
- Construction of the Illinois Route 390 Tollway extension to Illinois Route 83 was completed.

As part of the previous, completed CRP capital program, the following was completed:

- Approximately 43% of the system mainline pavement existing prior to the commencement of the CRP capital program was reconstructed or reconstructed/widened
- Approximately 32.3% of the system mainline pavement existing prior to the commencement of the CRP capital program was rehabilitated
- Open road tolling was implemented at all mainline toll plazas systemwide
- Construction of the Veterans Memorial Tollway (I-355) South Extension to I-80 was completed

The current capital programs are effectively managing the infrastructure condition of the system. It is recommended that programmed capital maintenance continue to occur as programmed and that issues identified during annual inspections be addressed as part of this programmed work.

Most of the system mainline pavement which has not been reconstructed or reconstructed/widened as part of the CRP or the *Move Illinois* Programs to date (approximately 10.2% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program) is programmed for reconstruction or reconstruction and widening as part of the *Move Illinois* Program through 2026. Additionally, sections of pavement constructed, reconstructed, reconstructed and widened or rehabilitated as part of the CRP (approximately 21.2% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program) are programmed for rehabilitation required by the pavement preservation program as part of the *Move Illinois* Program through 2026.

Once complete, the *Move Illinois* Program will have:

- Reconstructed or reconstructed/widened approximately 90.0 centerline miles or 31.7% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program
- Rehabilitated approximately 60.1 centerline miles or 21.2% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program
- Constructed approximately 17.1 centerline miles of new routes and route extensions
- Increased the systemwide lane mileage by approximately 15.7% through various widening projects, construction of route extensions and new interchanges, and the inclusion of the Elgin O'Hare Western Access corridor

NOTE: The above percentages are based upon the approximately 284.1 centerline miles of mainline pavement existing prior to the commencement of the *Move Illinois* program and may not include new construction/expansion of interchange ramps, auxiliary or plaza pavements.

4.1 Transportation Asset Management System

Inspections are performed annually throughout the entire Illinois Tollway system (Annual Inspections) pursuant to requirements of the Trust Indenture. The purpose of these inspections is to evaluate Illinois Tollway assets, which include but are not limited to pavement, bridges, overhead sign structures, structural walls, drainage structures, slopes, ditches, safety appurtenances, facilities and ITS devices. Certain Illinois Tollway assets, including bridges, structural walls, overhead sign structures and facilities, are inspected on multi-year cycles which are described in further detail later in this report.

Repair activities are logged in the Illinois Tollway's Asset Management System. Any deficiencies that are appropriate for Illinois Tollway Maintenance to repair are instantaneously transmitted to the appropriate Maintenance Division for repair. All other deficiencies requiring repair by a contractor are transmitted to the Illinois Tollway Engineering Department for incorporation into a current or future contract, based on the severity of the deficiency.

4.2 Pavement

The Illinois Tollway roadway pavement is inspected annually. The inspection includes a structural evaluation, a pavement surface evaluation and a visual inspection that detail areas for repair by means as appropriate, determined by the severity of the deficiency.

4.2.1 Visual Inspection

Visual inspection of the Illinois Tollway roadway system is performed annually. This inspection consists of documenting the condition of the mainline and ramp pavements from the edge-of-shoulder and from a vehicle outfitted with cameras that capture continuously. This visual pavement inspection includes all bridge decks, approaches, shoulders and gutters.

4.2.2 Pavement Structural Evaluation

The structural evaluation of the Illinois Tollway roadway system pavement is performed annually by the Illinois Tollway's Pavement Consultant during the spring and summer months.

This evaluation consists of Falling Weight Deflectometer (FWD) testing and a pavement coring program, from which the data is used to analyze and assess the structural integrity of the mainline pavements and assist in identifying deficiencies.

FWD testing is completed by measuring the deflections caused by an impulse deflection device that applies a dynamic load by dropping a weight onto a circular load plate placed on the pavement surface. The results of the FWD testing are utilized to determine pavement layer and subgrade structural parameters, to evaluate load transfer characteristics at pavement joints and to detect the presence of subsurface voids.

The pavement coring program consists of six-inch diameter full-depth cores taken through bound pavement layers at strategically identified locations throughout the Illinois Tollway system. Pavement cores are used to verify pavement layer thickness, inspect material and bonding conditions and assess the condition of pavement layers below the surface.

4.2.3 Surface Evaluation

The pavement surface evaluation of the Illinois Tollway roadway system is performed annually during the summer and fall months. This evaluation utilizes electronic and visual surveillance of the pavement surface to determine the extent of pavement distress.

The Illinois Tollway utilizes a pavement inspection and evaluation system similar to that developed by the Illinois Department of Transportation (IDOT), which categorizes pavement conditions using Condition Rating System (CRS) values. A CRS rating of 4.5 is considered to be “poor.” Although this may be tolerable on a rural route, a CRS of 5.5 or less is used as an indication of a riding surface that is uncomfortable and inconsistent with Illinois Tollway operational standards and user expectations. Therefore, pavement sections with a CRS of 5.5 or less on the Illinois Tollway system are candidates for repairs or rehabilitation. Furthermore, a pavement with a CRS value between 6.0 and 6.5 may be considered “transitional” by the Consulting Engineers, based upon the pavement’s maintenance and repair history and age, for which repairs in the subsequent two to seven years are anticipated due to repeated repair cycles diminishing pavement life span.

The CRS ratings utilized for the Illinois Tollway pavement surface evaluation are provided in the following table:

Table 4: CRS Rating System

CRS Rating	General Pavement Surface Condition
>7.4	Excellent
6.5 to 7.4	Good
6.0 – 6.4	Transitional
4.5 – 5.9	Fair
< 4.5	Poor

It should be noted that while the riding surface may reflect a high CRS rating, the aging pavement substructure, drainage problems or other unknown conditions that may exist below the pavement surface are not reflected by the CRS rating.

CRS values are determined by digitally recording surface conditions and measuring certain types of surface distress and rideability of pavements through the collection of electronic sensor data. This data is collected by a semi-automatic survey process which utilizes a survey vehicle outfitted with cameras that capture continuous images of the pavement surface and panoramic images of the roadway. The images and sensor data are processed by experienced CRS rating personnel who assign CRS values. A summary of the most recent systemwide CRS ratings is included in the following table:

Table 5: Summary of Mainline Pavement CRS Ratings from the 2018 Evaluation (Lane Miles)

Tollway	Excellent >7.5	Good 6.6-7.4	Transi-tional 6.0-6.5	Fair 4.5-5.9	Poor 0-4.4	**Not Rated
Tri-State (I-294)	156.5	160.1	79.1	14.0	0.0	12.7
Tri-State (I-94)	104.3	63.7	9.4	19.5	0.0	0.0
Edens Spur (I-94)	0.9	2.7	7.3	3.6	0.0	0.0
Jane Addams (I-90)	486.7	13.9	0.0	0.0	0.0	0.0
Reagan (I-88)	207.4	84.0	15.2	0.6	0.0	158.0
Veterans (I-355)	39.9	22.5	6.1	0.0	0.0	119.0
EOWA (IL 390)	42.5	1.7	2.6	2.0	0.0	6.0
Total*	**1038.1**	**348.6**	**119.7**	**39.8**	**0.0**	**295.7**
% of Total	**56.4%**	**18.9%**	**6.5%**	**2.2%**	**0.0%**	**16.1%**

** Lane Miles Surveyed does not equal total actual system lane mileage due to approximate beginning and ending points of the field survey, construction activity and the exclusion of auxiliary lanes and other lane types.*

*** Sections that contained construction and the long bridges were excluded from the survey and listed as "Not Rated".*

Note: This evaluation does not include auxiliary or ramp lanes that are required for entering and exiting the Illinois Tollway. Due to this, route and system totals may not match information in other sections of the report. Percentages may not total to 100% due to rounding.

Ramp lanes are evaluated on a three-year basis due to the reduced traffic and anticipated improved condition compared to the mainline, though the Illinois Tollway may begin to monitor the ramps more closely since the current programs are not expected to address many of the system's ramps. Auxiliary lanes are generally in better condition than the adjacent mainline lanes due to reduced traffic and are generally maintained in conjunction with the mainline lanes.

CRS ratings are only one indicator of overall pavement condition and, if used alone, can be misleading. A newly rehabilitated roadway will likely receive an "excellent" CRS rating even though the underlying concrete pavement and base could be largely deteriorated. In such a case, the "excellent" CRS rating is expected to rapidly deteriorate to a "transitional" or "poor" CRS rating, and the pavement will likely require additional work in a relatively short period of time. It is anticipated that Illinois Tollway pavement sections not reconstructed as part of recent capital program projects which received a CRS rating of "good" to "excellent" will rapidly deteriorate to a "transitional" or lower rating due to the condition of the underlying concrete base pavement.

Considering this, the Remaining Service Life (RSL) categories were developed. The RSL categories take into account current CRS ratings, traffic volumes and pavement thickness information. This data is projected to determine how many theoretical years are remaining before a condition level is reached where major repairs are required. The RSL categories are developed using specific pavement performance models, historical condition data for a specific pavement type and assumed rehabilitation treatments. The RSL categories have been found to be a reliable indicator of pavement performance. However, if there is any deviation from the future rehabilitation treatments assumed in developing the performance model, then the model will no longer accurately predict pavement performance, and the RSL category may be incorrect.

The Illinois Tollway RSL categories included 0 years, 1-2 years, 3-4 years, 5-8 years, 9-12 years, 13-19 years and 20 or more years. An RSL category of 20 or more years was created to allow for better programming of future rehabilitation projects. New pavement with an expected life of 30 or more years would typically be categorized with an RSL of 20 or more years. In contrast, pavement categorized with an RSL of 0 years will require extensive intermittent pavement repairs to maintain the pavement integrity.

The Illinois Tollway has generally been successful in maintaining consistent pavement conditions to date. This has been accomplished through activities performed by the Maintenance Division and programmed major repair work through the capital programs.

The system mainline pavement sections which have been constructed, reconstructed, or reconstructed and widened as part of the capital programs to date addressed the concern of failing base pavement on those portions of the system. However, there still exist areas of concern where the pavement has not been reconstructed. In addition to intermittent repairs systemwide, other short-term repairs in these areas include asphalt resurfacing on the Edens Spur (I-94) completed in 2010, on the Reagan Memorial Tollway (I-88) completed in 2012 and on the Tri-State Tollway (I-294) completed in 2012. These short-term repairs serve to improve pavement surface conditions and ride quality; however, they do not adequately address the deterioration of the underlying concrete base pavement. Based on pavement age and repair histories, reconstruction of these pavements is likely the most cost-effective long-term repair strategy.

Currently, a majority of the system mainline pavement not reconstructed or reconstructed and widened to date is programmed for reconstruction or reconstruction and widening as part of the capital programs through 2026. Additionally, sections of pavement constructed, reconstructed, reconstructed and widened, or rehabilitated as part of the CRP are programmed for rehabilitation through 2026 per the *Move Illinois* Program pavement preservation program.

While the Illinois Tollway's annual maintenance efforts have focused on maintaining pavement basic integrity through projects such as emergency patching and intermittent pavement repairs, the original pavement infrastructure continues to deteriorate due to load-related (vehicle loading) and non-load related (environmental) impacts. In the past, this resulted in a repair cycle that continued to accelerate until the implementation of the CRP when more substantial improvements were made. The strategy of maintaining pavement through small-scale maintenance projects became infeasible due to increasing construction costs, repair quantities, traffic disruptions and reduced pavement life. The current capital programs focus on rehabilitating or reconstructing the aging infrastructure through the reconstruction or reconstruction and widening of approximately 31.7% of the mainline system by the end of the *Move Illinois* Program in 2026. Approximately 21.5% of the system mainline pavement has been completed thus far.

Long-term pavement repairs began to be addressed in 2005, the first year of the CRP. As part of this, the underlying concrete base pavement deterioration issues along the Tri-State Tollway (I-294/I-94) and the Reagan Memorial Tollway (I-88) have been or are programmed to be addressed. As is shown in the following table, approximately 22.4% of systemwide pavement surveyed in 2017 was categorized with an RSL of eight years or less. The pavement within these categories will require repairs within the next eight years to maintain pavement integrity. This is a major improvement over the 85.1% of pavement systemwide that was within these categories in 2004 before the CRP began. Additionally, 51.7% of pavement surveyed in 2017 was categorized with an RSL of greater than 20 years, compared to 2.2% in 2004.

NOTE: The above percentages are based upon the approximately 284.1 centerline miles of mainline pavement existing prior to the commencement of the *Move Illinois* Program and may not include new construction/expansion of interchange ramps, auxiliary or plaza pavements.

Table 6: Summary of Mainline Pavement RSL Values from the 2018 Evaluation (Lane Miles)

Tollway	20+ Years	13-19 Years	9–12 Years	5–8 Years	3–4 Years	1–2 Years*	0 Years*	***Not Rated
Tri-State (I-294)	181.6	49.2	13.8	72.2	44.0	34.2	14.6	12.7
Tri-State (I-94)	145.8	14.5	6.9	0.8	0.0	10.1	20.4	0.0
Edens Spur (I-94)	0.1	0.0	0.0	1.0	0.0	8.3	3.6	0.0
Jane Addams (I-90)	391.5	18.5	69.3	4.3	0.0	0.0	0.0	0.0
Reagan (I-88)	119.5	146.6	12.2	16.7	9.4	0.0	0.6	147.5
Veterans (I-355)	10.7	54.3	0.0	3.5	0.0	0.0	0.0	119.0
EOWA (IL 390)	23.3	0.0	19.3	2.1	2.1	0.0	2.0	6.0
Total**	**872.5**	**283.1**	**121.4**	**100.6**	**55.4**	**52.6**	**41.3**	**285.2**
% of Total	**48.1%**	**15.6%**	**6.7%**	**5.6%**	**3.1%**	**2.9%**	**2.3%**	**15.7%**

* *Critical areas in need of attention. Reagan Memorial Tollway (I-88) – programmed for rehabilitation and reconstruction in various years, the Tri-State Tollway (I-294) from 95th Street to Balmoral Avenue – programmed for reconstruction in 2024 to 2025 and the Edens Spur (I-94) – programmed for reconstruction in 2018 to 2020.*

** *Lane Miles Surveyed does not equal total actual system lane mileage due to approximate beginning and ending points of the field survey and the exclusion of auxiliary lanes and other lane types.*

*** *Sections that contained construction and the long bridges (such as the Mile Long and Bensenville bridges on I-294) were excluded from the survey and listed as "Not Rated".*

4.2.4 Summary of Mainline Pavement Condition

4.2.4.1 Tri-State Tollway (I-294/I-94)

The 77.6-mile Tri-State Tollway (I-94/I-294/I-80) was constructed in 1958 as part of the original pavement network and consisted of either two or three lanes in each direction. The two-lane portions of this route were widened to three lanes in each direction in 1966 and at various times throughout the 1970s. As part of these widening projects, a Hot-Mix Asphalt (HMA) overlay was also typically added to the original lanes. A portion of the route from approximately 95th Street to Balmoral Avenue, commonly referred to as the Central Tri-State, was widened to four lanes in each direction and either reconstructed or partially reconstructed in 1992 and 1993. A rehabilitation of the Central Tri-State was completed in 2012, which included full-depth concrete patches, removal of the existing HMA overlay and the placement of a thicker Stone Matrix Asphalt (SMA) overlay. The Central Tri-State mainline pavement is scheduled for reconstruction in 2018 to 2025, as part of the *Move Illinois* Program. The majority of the mainline pavement along this route outside the limits of the Central Tri-State was reconstructed, or reconstructed and widened, from 2006 to 2009 as part of the CRP.

I-294 has some of the oldest pavement on the Tollway system, with portions along the central Tri-State nearing 60 years in age. In 2018, 77% of this corridor, including the Edens Spur, was rated in “excellent” to “good” condition. However, 36% of the corridor is estimated to have an RSL of under 12 years.

For the purposes of this report, the Tri-State Tollway is separated into the following three sections:

South Tri-State Tollway (Bishop Ford Freeway to 95th Street)

The majority of this pavement was rated in “excellent” condition (CRS) with an RSL rating of 13 to 20 years or more. The pavement from the Bishop Ford Freeway (I-94) to 163rd Street has undergone reconstruction and widening, completed in 2007. The pavement from 163rd Street to 95th Street has undergone reconstruction and widening, completed in 2009. Pavement preservation within this section was completed in 2017. In 2018, 81% of this section was rated in “excellent” condition with 19% in “good” condition with an average RSL rating of 20 years.

Central Tri-State Tollway (95th Street to Balmoral Avenue)

The majority of this pavement was rated in “good” to “transitional” condition (CRS) with an RSL rating of 1 to 8 years. The pavement from 95th Street to Balmoral Avenue/O’Hare Interchange was widened and either reconstructed or partially reconstructed in 1992 and 1993. The partial reconstruction and widening included the reconstruction of the outside (third) lane in each direction on the existing six-lane facility and the addition of a new fourth lane in each direction. The remaining two inside lanes in each direction were left in place, rehabilitated and resurfaced. The reconstruction and widening areas included jointed plain concrete pavement throughout. A rehabilitation of this section was completed in 2012, which included full-depth concrete patches, removal of the existing HMA overlay and the placement of a thicker SMA overlay. Reconstruction of this section is programmed to occur in 2018 to 2025, as part of the *Move Illinois* Program. In 2018, only 0.5% of the section was rated in “excellent” condition with an average RSL estimated as 4.7 years.

North Tri-State Tollway (Balmoral Avenue to Russell Road)

The pavement from Balmoral Avenue/O'Hare Interchange to the Deerfield/Edens Spur improvement limits and from Half-Day Road to the Russell Road has undergone reconstruction and widening, completed in 2009. In 2018, 98% of this section was rated in "excellent" to "good" condition with an average RSL estimated at 20 years.

Edens Spur (I-94)

The 4.8-mile Edens Spur (I-94) was constructed in 1958 as part of the original pavement network and consisted of two lanes in each direction. An HMA overlay was added to this pavement in 1976 and was subsequently resurfaced in 1995. Rehabilitation of this section was completed in 2010 and included removal of the existing HMA overlay and the placement of an SMA overlay. As part of the Deerfield/Edens Spur improvement project, the west end pavement was reconstructed in 1997, and Toll Plaza 24 (Edens Spur) was constructed in 1998. The Deerfield/Edens Spur improvement was a project completed in 2000, which included the removal of the original Toll Plaza 25 (Deerfield), widening and reconstruction of the Tri-State Tollway in the vicinity of Deerfield Road, reconstruction of the west end of the Edens Spur, construction of the new mainline Toll Plaza 24 on the Edens Spur and reconfiguration of the Deerfield Road interchange ramps. Toll Plaza 24 (Edens Spur) was subsequently converted to open road tolling in 2006.

The majority of this pavement was previously rated in "good" to "fair" condition (CRS) with an RSL rating of 0 to 2 years. The CRS and RSL ratings had rapidly deteriorated to a point where the majority of the pavement was recommended for work in the near future. Reconstruction and pavement preservation along this route began in 2018 with anticipated completion in 2020, as part of the *Move Illinois* Program.

4.2.4.2 Jane Addams Memorial Tollway (I-90)

The 75.9-mile Jane Addams Memorial Tollway (I-90), originally referred to as the Northwest Tollway until 2008, was constructed in 1957 as part of the original pavement network and consisted of two lanes in each direction. The pavement from East River Road to Barrington Road was widened to three lanes in each direction in 1967. The pavement from Barrington Road to US Route 20 (Marengo-Hampshire) was widened to three lanes in each direction in 1992 and 1998. The majority of pavement from Mill Road to Rockton Road was reconstructed and widened to three lanes in each direction in 2009.

The pavement from Mill Road to Elgin Toll Plaza 9 was reconstructed and widened to three lanes in 2013 to 2014 as part of the Jane Addams Memorial Tollway (I-90) corridor reconstruction/widening projects. The pavement from Elgin Plaza 9 to the Eastern Terminus was reconstructed and widened to four lanes in each direction in 2014 to 2016.

In 2018, 97% of this corridor was rated in "excellent" condition with 82% showing an RSL of 20 or more years.

For the purposes of this report, the Jane Addams Memorial Tollway (I-90) is separated into the following sections:

Western Corridor (Rockton Road to Mill Road)

The majority of the pavement in this section was reconstructed and widened in 2009, and 93% is rated in “excellent” condition. This pavement is a mix of rubblized and reconstructed pavement. This will slightly reduce the RSL due to the anticipated need for future surface rehabilitations required on the rubblized sections. In 2018, an average RSL value of 11 years was estimated for this section.

Central Corridor (Mill Road to Elgin Plaza 9)

The majority of the pavement in this section was reconstructed and widened in 2013 to 2014 as part of the *Move Illinois* Program, and 98% is rated in “excellent” condition (CRS) with an average estimated RSL rating of 25 years.

Eastern Corridor (Elgin Plaza 9 to Des Plaines River)

The pavement within this section was reconstructed and widened in 2015 and 2016 as part of the *Move Illinois* Program, and 98% is rated in “excellent” condition with an average RSL rating of 27 years.

4.2.4.3 Reagan Memorial Tollway (I-88)

The Reagan Tollway is in excellent condition with over 44% of the pavement having a CRS greater than 7.5. Currently, about 65% of the I-88 corridor is in “excellent” and “good” condition, with 34% under construction during the 2018 survey period. The average RSL for the corridor is estimated as 16.0 years with 30% of the corridor above 16.0 years.

I-290 to Illinois Route 56 (East)

The 26.7-mile Reagan Memorial Tollway (I-88) east of Illinois Route 56, originally referred to as the East-West Tollway until 2006, was constructed in 1957 as part of the original pavement network and consisted of two lanes in each direction. The pavement from the Eisenhower Expressway to Naperville Road was widened to three lanes and resurfaced in each direction in 1977. The pavement from Naperville Road to Prairie Path was reconstructed and widened to three lanes in each direction in 1987. The pavement from Prairie Path to Toll Plaza 61 (Aurora) and from Toll Plaza 61 (Aurora) to Orchard Road was reconstructed and widened to three lanes in each direction in 2000 and 2008 respectively.

The pavement from York Road to Naperville Road and from Naperville Road to Illinois Route 59 was reconstructed and widened to four lanes in each direction in 2008-2009 and 2004-2005 respectively. Subsequently, the pavement from the Eisenhower Expressway to York Road was resurfaced in 2008-2009. The pavement from Illinois Route 56 to Orchard Road was reconstructed and widened to three lanes in each direction in 2012 as part of the CRP.

In 2018, about 40% of this section was in “excellent” condition with approximately 14% under construction.

Illinois Route 56 to Illinois Route 251 (Central)

The 69.5-mile Reagan Memorial Tollway (I-88) Extension west of Illinois Route 56 was constructed in 1974 as a western extension to the original Reagan Memorial Tollway (I-88) and consisted of two lanes in each direction. The pavement received an HMA overlay in 1993. This HMA overlay was placed to a nominal 2.25-inch thickness, thinner than the typical 3-inch

HMA overlay. The thinner overlay was originally intended to act as a bond breaker for a future concrete overlay. However, due to the poor performance of a similar concrete overlay installation on a section of the original Reagan Memorial Tollway (I-88), the concrete overlay was never placed. Instead, the HMA overlay remained as the riding surface. This thinner overlay did not perform well and required constant repairs by the Maintenance Division.

In January 2001, the HMA overlay between Illinois Route 56 and Illinois Route 251 failed, and the Illinois Tollway initiated immediate emergency repairs. Adverse weather conditions during the course of these emergency repairs limited their effectiveness and life expectancy, thus requiring subsequent full-width, shoulder-to-shoulder resurfacing during the summer of 2001. The pavement from Illinois Route 56 to Illinois Route 251 was rehabilitated, including the application of a thicker SMA overlay in 2012. The central portion of the Reagan Memorial received an additional 2.5-inch WMA overlay in 2018.

The rehabilitation of this pavement completed in 2012 and 2018 has served to increase the RSL of this pavement. However, these projects were intended to rehabilitate the pavement surface and did not include rehabilitation of the deteriorating original concrete pavement and base. It is expected that this original concrete pavement and base will continue to deteriorate, resulting in depreciation in the current ratings, and may require a more frequent rehabilitation cycle.

The 2017 ratings saw 99% of the section in “excellent” to “good” condition.

Illinois Route 251 to Rock Falls/US Route 30 (West)

The 2004 Annual Inspections and preliminary development of intermittent HMA repair quantities in 2005 revealed severe deterioration of the pavement west of Illinois Route 251 (MP 76.1). It was decided to accelerate the reconstruction of this pavement originally programmed in 2006. The reconstruction included the removal of the original HMA overlay, the rubblization of the original concrete base pavement and the application of a 6-inch HMA overlay. The rubblization consisted of breaking the original concrete pavement into baseball-size and smaller pieces. The intent of this reconstruction is the eventual removal of 2 inches of HMA overlay and the application of an additional 6-inch HMA overlay for a total HMA thickness of 10 inches. Work to complete the “perpetual pavement” commenced in 2016 and was completed in 2017. The pavement at culverts and along bridge decks which was not rubblized was also included in the reconstruction along this section.

The pavement west of Illinois Route 251 to Chicago Avenue was reconstructed with work completed in 2015. This work addressed all previously noted deficiencies within this section. The pavement from Chicago Avenue to the Western Terminus was rehabilitated in 2016. This rehabilitation included the placement of an additional 6-inch thick asphalt layer, reconstruction of pavements which were not previously rubblized and reconstruction of the shoulder pavement. In 2018, 98% of the pavement west of Illinois Route 251 was rated in “excellent” condition.

4.2.4.4 Veterans Memorial Tollway (I-355)

The 17.5-mile Veterans Memorial Tollway (I-355) north of Interstate 55, originally referred to as the North-South Tollway until 2007, was constructed in 1988 and consisted of two lanes in each direction except between Maple Avenue and Butterfield Road, which consisted of three lanes in each direction. The pavement from Plaza 89 (Boughton) to Maple Avenue and from Butterfield Road to North Avenue was widened to three lanes in each direction in 1994 and 1996, respectively. The pavement from Boughton Road to Interstate 55 was widened to three lanes in each direction in 2007 as part of the Veterans Memorial Extension project discussed later in this report. The pavement from Interstate 88 to 75th Street was widened to four lanes in each direction in 2008 and 2009. As part of these 2008 and 2009 widening projects, an HMA overlay was also added to the original three lanes. Rehabilitation of the pavement outside the limits of the aforementioned widening projects from North Avenue to Interstate 88 and from 75th Street to Boughton Road was completed in 2010 and included the placement of an SMA overlay to all lanes in each direction. The areas north of the Interstate 55 Interchange were rehabilitated in 2010 and 2013, which has served to extend the remaining service life and improve the CRS ratings. A subsequent rehabilitation of this pavement, including resurfacing and base pavement patching, commenced in 2018 and with work extending through 2020. A large portion of the corridor was not rated due to ongoing work. Rated sections showed 91% in “excellent” to “good” condition. Rated sections showed a majority of pavement with an RSL over 13 years.

Veterans Memorial Tollway (I-355) South Extension

The 12.3-mile Veterans Memorial Tollway (I-355) South Extension was constructed in 2007 as a southern extension to the original Veterans Memorial Tollway (I-355) south of Interstate 55 to Interstate 80 and consists of three lanes in each direction. Upon completion of the extension construction, the entire route was memorialized as the Veterans Memorial Tollway. This extension serves 13 municipalities/townships in three counties and provides a regional connection that improves north-south mobility between Interstate 55 and Interstate 80.

The majority of this pavement was rated in “excellent” to “good” condition (CRS) with an RSL rating of 19 years.

4.2.4.5 Illinois Route 390 Tollway

The existing 6.1-mile Illinois Route 390 Tollway, originally referred to as the Elgin O’Hare Expressway until 2013, was constructed by IDOT in 1993 and consisted of two lanes in each direction between US Route 20/Lake Street and US Route 53/Rohlwing Road. The pavement from Illinois Route 19/Irving Park Road to Meacham Road was rehabilitated and widened to three lanes in each direction in 2014-2016 as part of the *Move Illinois* Program. Tolling of this section commenced in July of 2016, designating this route under the jurisdiction of the Illinois Tollway. IL 390, consisting of three lanes in each direction from Meacham Road to IL 83/Busse Road, including an interchange with I-290, was completed in 2017. The *Move Illinois* Program includes extension of the route east to an interchange with the future I-490, with work expected to occur between 2018 and 2025.

Annual inspections along the completed IL 390 corridor commenced in 2017. The majority of the pavement west of Illinois Route 53 was rated in “excellent” to “transitional” condition (CRS) with an RSL rating of 13-20 years. In 2018, pavement condition between Lake Street to Illinois Route 83 showed 77% in “excellent” condition.

4.2.4.6 I-490 Tollway

The *Move Illinois* Program includes the anticipated construction of I-490, which will connect the Jane Addams Memorial Tollway (I-90) to the Tri-State Tollway (I-294) along the western border of O’Hare International Airport with construction to occur between 2016 and 2026.

4.3 Roadway Appurtenances

The Illinois Tollway roadway appurtenances are visually inspected annually by the Illinois Tollway Engineering Department’s Division of Maintenance and Traffic as well as the Consulting Engineer. These inspections consist of the recording of visible deficiencies from the edge-of-shoulder to the right-of-way fence, including the drainage systems and all safety appurtenances. Needed repairs are prioritized based on the level of severity and then quantified. These quantities may be included in the scheduling of tasks for the Tollway Roadway Maintenance Division or, depending on the severity and scope of the deficiency, added to future contracts.

4.3.1 Drainage Systems

Visual inspection of the Illinois Tollway roadway drainage systems is performed annually. This inspection consists of recording visible deficiencies of the drainage structures, crossing culverts, slopes, ditches and vegetation.

The drainage systems throughout the Illinois Tollway are generally in good to fair condition, and the majority of the embankment slopes are stable. Typical deficiencies noted during the inspections included concrete headwall deficiencies, drainage structures requiring cleaning or repair, gutter heaving or sinking, rill erosion, washouts, sinkholes and ditch restoration due to erosion.

Closed drainage systems are typical throughout the urban areas systemwide. Only limited inspections can be performed on closed drainage systems due to limited access; therefore, it is recommended to have these cleaned and televised to obtain better inspection data and to determine the general condition of these systems. Televising of the closed drainage systems has been programmed to occur prior to the design development stage of subsequent roadway rehabilitation to identify areas of concern so that they may be addressed as part of the programmed roadway construction.

Crossing culverts are inspected for functionality, obstructions and conveyance. The crossing culverts throughout the Illinois Tollway system are generally structurally sound. However, some have exposed reinforcement bars, misaligned wingwalls, honeycombing of the concrete surface, open joints or deterioration of the metal pipe (metal pipe culverts) or require cleaning. The crossing culverts not replaced during recent reconstruction or rehabilitation projects may in some cases be over 50 years old.

The deterioration of Corrugated Metal Pipe (CMP) continues to be a concern in sections not recently reconstructed. CMP deterioration typically occurs along the flow line or at the joints of the pipe. This causes backfill material and soil to erode through the pipe during rain events, creating voids beneath the roadway. As the volume of these voids increases, the probability of roadway pavement slab settlement or failure also increases. In many cases, these pipes may have been extended due to roadway widening or other construction. Although the ends of these pipes may appear in excellent condition, further examination reveals deterioration of the original pipe and separation of the joints where the original pipe joins the new.

Due to the collapse of several CMP crossing culverts, the Consulting Engineers completed a detailed systemwide inspection of all culverts that cross beneath Illinois Tollway pavement with a diameter of three feet or greater in 2007. The purpose of this inspection was to identify CMP culverts that require lining, repair or replacement. Culverts classified as bridges by the Federal Highway Administration (FHWA) were not included in the inspection and are included with the bridge inspections.

To date, many CMP have been replaced as part of reconstruction or rehabilitation contracts. Additionally, two repair/lining contracts were completed in 2010 to repair or line CMP with a diameter of three feet or greater that cross beneath pavement. These contracts have addressed some concerns with crossing CMP. However, smaller diameter and non-mainline-crossing CMP still require repair or replacement in future projects.

Due to the large quantity of CMPs located throughout the Illinois Tollway system and the more than 50 years of changing roadways, not all CMPs may have been identified for repair or replacement. It is recommended that replacement or lining of CMPs continue in future contracts, as they are identified.

4.3.2 Safety Appurtenances

A passive visual inspection of the Illinois Tollway roadway safety appurtenances is performed annually. This inspection consisted of logging the visible deficiencies of the concrete barriers, guardrails/terminals, cable median barriers and impact attenuators.

Concrete barriers, guardrails, cable median barrier systems and impact attenuators throughout the Illinois Tollway system are generally in excellent to good condition. Any deficiencies are instantaneously transmitted to the Illinois Tollway Division of Maintenance and Traffic for repair.

The guardrail/terminals within the limits of capital program reconstruction or rehabilitation projects have been upgraded to the current Illinois Tollway standards, which adhere to the National Cooperative Highway Research Program (NCHRP) Report 350 or *Manual for Assessing Safety Hardware* (MASH), as appropriate. Illinois Tollway policy requires that any guardrail/terminal safety concerns or damage resulting from vehicular accidents be addressed within 24 hours, though procurement limitations for materials in some cases prohibit achieving this policy.

Guardrail standards are regularly updated to reflect current crash test data and new technologies. The current Illinois Tollway guardrail standards were developed in conformance with the requirements of NCHRP Report 350. The NCHRP, which conducts research in areas of highway planning, design, construction, operation and maintenance nationwide, published Report 350 in 1993. NCHRP Report 350 presents uniform guidelines for the crash testing of highway safety features, recommends evaluation criteria for the assessment of the crash test results and presents guidelines for the in-service evaluation of safety features. These guidelines are developed utilizing current technology and the collective judgment and expertise of experts in the field of roadside safety design.

MASH is an update to NCHRP Report 350, for the purposes of evaluating new safety hardware devices based primarily on changes in the vehicle fleet. Any new or revised highway safety hardware under development as of the October 15, 2009 publication of MASH may continue to be tested using the criteria in NCHRP Report 350. However, FHWA stopped accepting or reviewing requests for new or revised highway safety hardware tested using NCHRP 350 criteria after January 1, 2011. In the summer of 2015, the American Association of State Highway and Transportation Officials (AASHTO) established sunset dates for NCHRP Report devices. The Illinois Tollway is scheduled to meet or exceed the dates outlined by AASHTO.

The FHWA does not require that the safety appurtenances be upgraded when not meeting the current standard. However, the Illinois Tollway Risk Management Division works in conjunction with other departments to maintain loss control and to protect the interests of the Illinois Tollway. It is recommended that all guardrail installations which have not been successfully tested under NCHRP Report 350 requirements be replaced to the current Illinois Tollway standard as currently programmed.

The current capital programs include funds for drainage and safety improvements systemwide which should include the replacement of non-NCHRP Report 350 compliant guardrail installations. Additionally, areas of programmed reconstruction/rehabilitation are anticipated to include the replacement of non-NCHRP Report 350 compliant guardrail installations within the limits of construction.

4.3.3 Cable Median Barrier

Median cable barrier systems consist of tensioned cables extending between bridges and emergency turnarounds in grassy median locations to minimize the occurrence of vehicles crossing into oncoming traffic. There are few federal standards for median cable barrier systems; however, all installations are inspected to confirm that they meet the current industry practices. Cable median barrier systems are installed west of Deerpath Road on the Reagan Memorial Tollway (I-88), along the Edens Spur (I-94), at the Southern Terminus of the Veterans Memorial Tollway (I-355), along the Reagan Memorial Tollway (I-88) connector ramps with the Tri-State Tollway (I-294) and along IL 390.

4.3.4 Delineators and Reflectors

The delineators and reflectors throughout the Illinois Tollway system are generally in good to fair condition. Damage to these is typically caused by traffic accidents or snowplows. As these inspections typically occur at the end of the winter season, it is common to note large quantities of missing or damaged reflectors. The Illinois Tollway Division of Maintenance and Traffic performs regularly scheduled maintenance on these items systemwide at least twice annually.

4.3.5 Pavement Markings

The pavement markings throughout the Illinois Tollway system are generally in excellent to fair condition. Typical deficiencies noted were missing or damaged sections of pavement markings. The specific deficiencies identified during the inspections are documented in the Annual Field Inspection Reports prepared for each Maintenance Section.

The Illinois Tollway Pavement Management Consultant maintains a Pavement Marking Database (available upon request) which contains historical installation data and retroreflectivity values. These values are updated as new information becomes available. The retroreflectivity values, in conjunction with visual inspection and age of the markings, is utilized by the Illinois Tollway to determine areas for inclusion in the annual systemwide pavement marking contract and the scheduling of future contracts.

The ongoing annual pavement marking renewal program continues to improve the pavement marking visibility throughout the Illinois Tollway system. As part of this annual program, pavement markings are upgraded and maintained through the use of epoxy paint.

Since pavement marking replacement is typically beyond the capabilities of the Maintenance Division, it is recommended that areas of deficient pavement markings, as identified in the visual inspection, and areas which exhibit low retroreflectivity be included within the annual systemwide pavement marking contract.

4.3.6 Raised Pavement Markers

The raised pavement markers (RPMs) throughout the Illinois Tollway system are generally in excellent to fair condition. Areas of missing reflectors or castings were noted during the inspections. As these inspections typically occur at the end of the winter season, it is common to note large quantities of missing or damaged reflectors. The Illinois Tollway performs regularly scheduled maintenance on these items systemwide on a three-year cycle within each individual maintenance section. During this regularly scheduled work, they replace damaged or missing reflectors and remove any castings that are damaged or appear as if they may become loose.

It should be noted that reconstruction projects occurring from 2007 to 2009 did not include the installation of RPMs while a study was conducted to review their use. In 2012, it was decided to include RPMs as part of all contracts systemwide. In 2013, the contract work commenced for the installation of RPMs in sections of pavement in which they were not originally included. In addition, repair/replacement of RPMs is typically included with the annual systemwide pavement marking contracts.

4.3.7 Roadway Lighting System

The roadway lighting systems throughout the Illinois Tollway system are generally in excellent to fair condition. The majority of the light poles appeared to be plumb with no noticeable movement or tilt. The typical deficiencies noted during the inspections were concrete or helix foundations which have been installed too high (over four inches from finished grade) or installations with improper breakaway devices. These locations are generally replaced to ensure the effectiveness of the breakaway devices. Additionally, instances of missing light pole handholes with exposed pole wiring are reported. Corrective repairs are recommended to the Illinois Tollway Maintenance Division or, depending on the severity and extent of required repairs, forwarded for inclusion in future contracts.

The Illinois Tollway has implemented a plan to retrofit all roadway lighting luminaires from High Pressure Sodium (HPS) to less energy intensive LED luminaires. All future contracts will specify LED luminaires as part of new or replacement installations. As of 2018, LED lighting technology has been implemented along the following Tollway sections:

- Jane Addams Memorial (I-90) from east of Mill Road to the eastern terminus
- Tri-State (I-294) Bensenville Bridge
- Tri-State (I-294) from southern terminus to 95th Street
- Tri-State (i-294) from northern terminus to Duffy Lane
- Reagan Memorial (I-88) from Highland Avenue to York Road
- Reagan Memorial (I-88) from Illinois Route 251 to US Route 30

Reagan Memorial (I-88) Farnsworth Interchange
IL 390 from Lake Street to Illinois Route 83
Veterans Memorial (I-355) from southern terminus to I-55

It is anticipated that LED lighting will be implemented along the following sections by the end of 2019:

- Jane Addams Memorial (I-90) from western terminus to I-39
- Tri-State (I-294) from Balmoral Avenue to Lake-Cook Road
- Tri-State (I-294) from Duffy Lane to Lake-Cook Road
- Edens Spur (I-94) from eastern terminus to Lake-Cook Road
- Reagan Memorial (I-88) from Orchard Road to Highland Avenue
- Veterans Memorial (I-355) from I-55 to Army Trail Road

4.3.8 Right-of-Way Fence

The right-of-way fence throughout the Illinois Tollway system is generally in excellent to good condition. Recent reconstruction projects have included the replacement of four-foot-high field right-of-way fence with the current Illinois Tollway standard six-foot-high chain-link fence. This type of fence is more compatible with the continued development of properties adjacent to the roadway and serves as a better barrier to pedestrians and animals from entering the Illinois Tollway property. Deficiencies or required repairs identified during inspections are referred to the Illinois Tollway Maintenance Division or recommended for inclusion in future contracts.

4.3.9 Ground-Mounted Traffic Signs

The ground-mounted traffic signs throughout the Illinois Tollway system are generally in good to fair condition. Damage to these signs is typically caused by traffic accidents or snowplows. The Illinois Tollway Sign Shop repairs or replaces these signs as damage occurs. Additionally, instances were noted at which wooden ground-mounted traffic sign posts are either installed with incorrectly placed or missing breakaway holes.

Ground-mounted traffic sign inspection does not include overhead sign structures, which are discussed elsewhere within this report. In addition, traffic signs are only rated based upon visual inspection of the physical condition. Retroreflectivity measurements are not taken as part of these inspections and are not accounted for in the ratings assigned.

4.4 Structural Elements

The structural elements inspected throughout the Illinois Tollway system consist of bridges, large culverts, retaining walls, noise abatement walls, sight screen walls and overhead sign structures.

4.4.1 Bridges and Large Culverts

In accordance with FHWA guidelines, bridges throughout the Illinois Tollway system must receive a routine inspection at least every two years. A routine inspection consists of, at a minimum, a complete visual inspection of all major components of the bridge. Routine Inspections determine the physical and functional condition of the bridge and identify any changes from “Initial” or previously recorded conditions. Underwater Inspections are performed every five years. During Routine Inspections, inspection of submersed portions of the substructure is limited to observations during low-flow periods. The Illinois Tollway conducted Routine bridge inspections each year, and the resultant “Structure Inspection Field Reports” were reviewed by the Consulting Engineer.

As part of the inspections, condition ratings are assigned to the deck, superstructure and substructure components for each bridge inspected. The bridge deck consists of the wearing surface, joints and parapets. The superstructure consists of beams, diaphragms and stiffeners. The substructure consists of piers, abutments, bearings, foundations, slope and crash walls and piling.

The FHWA classifies culverts as bridges if the span of the culvert is at least 20 feet when measured along the centerline of the roadway. Therefore, all Illinois Tollway culverts that meet this criterion are also inspected at a minimum of every two years as part of the bridge inspections and are assigned a condition rating similar to that of the bridges. A Health Index, as described below, is then determined from this condition rating. The Health Index for culverts is directly related to the condition ratings used for the annual bridge inspections. This rating is an all-encompassing review of the culvert elements and only recorded as a single rating value. In 2009, the Health Index calculation for culverts was changed to follow the same description as bridges.

As of the date of this report, there are 684 structures classified as bridges throughout the Illinois Tollway system. Of these, there are 609 vehicular bridges, six railroad bridges, 61 culvert bridges, one land bridge, two pedestrian bridges and five over-the-road oasis structures. Bridges and large culverts, classified as bridges in this category are inspected as part of a mandated bridge inspection schedule along with supplemental maintenance, fracture critical, damage and deficiency inspections. In 2018, the Tollway performed a total of 837 bridge inspections, including 345 scheduled routine inspections on bridges under Illinois Tollway jurisdiction.

The bridge inventory is revised on an as-needed basis to account for new construction, demolition and/or ownership transfers to other agencies.

It should be noted that many of the bridge decks which pass over the Illinois Tollway are not under the Illinois Tollway's jurisdiction. However, these bridge decks are included with the inspection as an informational courtesy to the responsible agency.

There are bridges located within the jurisdiction limits of the Illinois Tollway that are entirely under the jurisdiction of another agency. As of the date of this report, these bridges have been omitted from the Illinois Tollway bridge inventory. Since these bridges cross over Illinois Tollway roadways, they are informally inspected along with the structures for which the Illinois Tollway is responsible. Formal inspections are conducted and submitted to the FHWA by the responsible agency. The following 14 bridges are entirely under the jurisdiction of and maintained by another agency:

Illinois Department of Transportation

- Bridge 197C: Tri-State (I-294/I-80) over Calumet Union Drainage Ditch
- Bridge 198: EB I-80 Ramp A over Tri-State Tollway (I-294/I-80)
- Bridge 521: I-290/IL Route 53 over Jane Addams Memorial Tollway (I-90)
- Bridge 1146: NB I-39 over Reagan Memorial Tollway (I-88)
- Bridge 1146A: SB I-39 over Reagan Memorial Tollway (I-88)
- Bridge 1621: I-290 SE Ramp G1 over IL 390
- Bridge 1625: I-290 NW Ramp G5 over IL 390
- Bridge 1628: SE I-290 Ramp G1 over WS IL 390 Ramp G7

Chicago Transit Authority (CTA)

- Bridge 366A: EB CTA O'Hare Rapid Transit over Tri-State Tollway (I-294)
- Bridge 366B: WB CTA O'Hare Rapid Transit over Tri-State Tollway (I-294)
- Bridge 366C: CTA O'Hare Rapid Transit over NW I-90 Ramps M & P

DuPage County Division of Transportation

- Bridge 1408: Great Western Trail pedestrian bridge over Veterans Memorial Tollway (I-355)

Illinois Department of Conservation

- Bridge 702: Rock Cut State Park road over Jane Addams Memorial Tollway (I-90)

Village of Oakbrook

- Bridge 280: Salt Creek Greenway Trail over Reagan Memorial Tollway (I-88)

The FHWA guidelines do not include bridge deck ratings in the determination of the overall Sufficiency Rating. Therefore, the deck is not typically the driving force behind replacement. However, the deck is important in the programming of repair work based on general aesthetics and rideability. The deck is also the most visible bridge component to the traveling motorist/patron. Since the Illinois Tollway is patron-oriented and bridge deck repairs, other than minor deterioration, are typically beyond the capabilities of the Illinois Tollway Maintenance Division, the deck should be accounted for in the overall bridge condition rating.

Considering this, the Consulting Engineers created an Overall Condition Index (OCI) to more appropriately quantify the condition of the bridges throughout the Illinois Tollway system. The OCI is a weighted representation of the deck, superstructure and substructure ratings based on field inspections and is intended to give an overall indication of the condition of a bridge. A higher weight is placed on the deck rating because the deck tends to deteriorate faster than the other components of the bridge.

The Overall Condition Index is a number on a scale from 0 to 100 with 100 being the best. It does not consider the individual ratings of components such as joints, diaphragms or bearings, though these ratings are generally used to develop future repair contracts. The following table provides descriptions of the bridge Overall Condition Index ratings.

Table 7: Overall Condition Index Rating Descriptions

H.I.	Description
≥90	No problems or some minor problems noted. No action required.
89 – 80	Some areas of minor deterioration. Minor repair by Maintenance or Contract would prevent additional deterioration.
79 – 70	Structural elements are sound but exhibit minor section loss or deterioration. Repair Contract likely needed within 5 years.
69 – 60	Advanced section loss. Repair Contract should be initiated within 2 years.
< 60	Advanced loss of section and deterioration. Local failures possible. Immediate attention needed.

The following table illustrates the bridge inspection Overall Condition Index summary. Since the bridges are on a two-year inspection cycle, the table illustrates the condition index rating for all bridges inspected in 2017 and 2018.

Table 8: Bridge Inspection Summary

Condition Index	2017	2018	Total
≥90	306	283	589 (86.2%)
80-89	24	37	61 (8.9%)
70-79	8	21	29 (4.2%)
60-69	0	4	4 (0.7%)
<60	0	0	0 (0.00%)
Total	338	345	683

Four of the inspected bridges have an OCI rating of Poor:

Bridge 125: 159th Street (US 6) over I-294/I-80 MP 6.36

The bridge deck has a National Bridge Inspection Standard (NBIS) rating of Poor, the superstructure has a NBIS rating of Fair and the substructure has a NBIS rating of Fair. This bridge is currently being replaced under Contract RR-17-4349.

Bridge 223: SE I-290 Ramp H over I-290, I-294 MP 31.8

The bridge deck has an NBIS rating of Poor, the superstructure has an NBIS rating of Fair and the substructure has an NBIS rating of Fair. The bridge is currently planned for complete removal as part of ongoing design Contract I-17-4300. Interim bridge deck repairs are planned for 2019 under Contract RR-18-4439.

Bridge 279: I-294 Ramp M & N under York Road, I-88 MP 136.68

The bridge deck and superstructure have NBIS ratings of Poor and the substructure has an NBIS rating of Satisfactory. The superstructure was analyzed and the load rating determined that the bridge has no reduction in load carrying capacity. The bridge deck and wearing surface are under the jurisdiction of the Village of Oak Brook. The remainder of the structure is under the Illinois Tollway's jurisdiction. Bridge repairs are planned for 2019 under Contract RR-13-4117R in coordination with the Village of Oak Brook.

Bridge 299: I-294 Ramps M & N under Windsor Road, I-88 MP 138.45

The bridge deck has a NBIS rating of Poor and the superstructure and substructure have NBIS ratings of Satisfactory. The bridge deck and wearing surface are under the jurisdiction of the Village of Oak Brook. The remainder of the structure is under the Illinois Tollway's jurisdiction. Currently, the bridge is planned for complete replacement under Design Contract I-18-4352 in coordination with the Village of Oak Brook.

Of the 29 bridges with a Health Index of 70-79, the majority are programmed for repair within the next five years. However, a number of these bridges are located within the Central Tri-State (I-294) corridor, which is programmed for reconstruction in 2020 to 2023. Depending on the nature of the deficiencies noted, some of the bridge structures may be included with these contracts. These structures will continue to be monitored, and if required, will be included for repair in advance of this programmed reconstruction.

Supplemental Inspections are performed as a proactive effort towards continuous improvement. These inspections differ from FHWA and IDOT Special Inspections which are intended to monitor a specific structural feature, repair activity or condition that must be monitored more frequently than required by other inspection types. Supplemental Inspections are generally performed on bridge identified during the previous year’s scheduled inspection as having a small number of outstanding repair activities that do not affect the structural load-carrying capacity of the bridge. Supplemental Inspections typically are scheduled to provide repair recommendations and monitor those activities. Bridges selected for Supplemental Inspection had one of more bridge components and/or elements rated 6 (Satisfactory) or worse in the 2016 and 2017 Biennial Inspections.

Supplemental Inspections are conducted to determine an initial or updated scope of work and timeframe for required repairs. All bridges will still receive scheduled Biennial Inspections. In 2018, Supplemental Inspections were performed on 120 bridges throughout the Tollway system. Of these 120 bridges, several bridges exhibited structural or safety repair activities over traffic including spalling of the underside of the bridge deck or vertical face of parapet wall. The Illinois Tollway Maintenance Division completed repairs at 13 bridges to eliminate those conditions. Supplemental Inspections performed in 2018 identified no bridges that required immediate structural repairs due to a concern over the load-carrying capacity of the bridge.

4.4.2 Structural Walls

Structural walls include retaining walls, noise abatement walls and sight screen walls. In total, the Illinois Tollway has 938 walls under its jurisdiction.

Visual inspections of the structural walls located throughout the Illinois Tollway system are performed annually. Due to the number of structures to be inspected, the effort is scheduled as a multi-year task. The structural walls throughout the Illinois Tollway system are generally inspected on a four-year cycle. However, newly constructed structures or those last rated in excellent condition may be inspected on a slightly extended cycle due to the expectation of their remaining in excellent condition for several years. Approximately 25% of Illinois Tollway structural walls are inspected each year.

An overall condition rating is assigned for each structural wall inspected. In order to improve objectivity and uniformity between maintenance sections and inspectors, a condition rating system was developed for the structural wall inspections. The overall condition of the structural wall is assigned based on the extent and severity of all individual repair activities observed during the inspection. The condition ratings utilized for the structural wall inspections are included in the following table:

Table 9: Structural Wall Inspection Condition Rating Summary

Rating	Description
Excellent	There are no problems noted.
Good	Good condition exists with only minor problems noted.
Fair	Fair condition exists with minor section loss, cracking or spalling observed.
Poor	Poor condition exists with signs of advanced deterioration, section loss, wide cracks, water seepage and out of plumb but stable condition. Wall requires close monitoring.
Critical	Critical condition exists with major defects, significant deterioration and section loss, obvious vertical or horizontal movement affecting wall stability exists. Wall requires replacement or immediate attention.

Deficiencies noted at structural walls assigned a condition rating of excellent to fair are typically minor and do not require immediate attention. These deficiencies are typically addressed by the Maintenance Division or are included in a future contract. Recommendations provided for structural walls assigned a condition rating of poor to critical require monitoring or immediate attention.

The following table lists the number of structural walls inspected during the past four-year cycle. A majority (76%) of the structural walls inspected in 2018 were rated in excellent to good condition.

Table 10: Structural Wall Inspection Summary

Inspection Year	2015	2016	2017	2018
Total Walls Inspected	125	135	211	285

As part of the current capital programs, there are a number of projects ongoing or recently completed systemwide which include the reconstruction of existing walls or the construction of new structural walls. Many of these structures are not accounted for in the Structural Wall Inspection Summary for the past four years because they have not been phased into the inspection schedule. It is expected that these structural walls are, and will remain, in excellent condition for several years. These structural walls will be phased into the inspection schedule during the next four-year inspection cycle.

4.4.3 Overhead Sign Structures

Illinois Tollway overhead sign structures include cantilever (one support), span (two supports) and bridge mounted (above and attached to the bridge). Sign structures may support static signs, digital message signs, tolling, lighting and Intelligent Transportation System (ITS) equipment. The Illinois Tollway has 900 overhead sing structures under its jurisdiction.

Overhead sign structures along the Illinois Tollway system are generally inspected on a four-year cycle. However, newly constructed structures or those last rated in excellent condition may be inspected on a slightly extended cycle due to the expectation of their remaining in excellent condition for several years. Approximately 25% of Illinois Tollway overhead sign structures are inspected each year.

An overall rating is assigned for each overhead sign structure inspected. In order to improve objectivity and uniformity between maintenance sections and inspectors, a condition rating system was developed for the overhead sign structure inspections. The condition ratings utilized for the overhead sign structure visual inspections are included in the following table.

Table 11: Overhead Sign Structures Inspection Condition Rating Summary

Rating	Description
Excellent	There are no problems noted.
Good	Good condition exists with only minor problems noted, such as: minor rust or foundation cracking, loose bolts, missing safety chains, damaged lighting, sign legend/background problems, etc.
Fair	Fair condition exists with the following: moderate corrosion or foundation cracking/spalling, several loose bolts or loose pillow blocks/saddles, etc.
Poor	Poor condition exists with signs of moderate structural cracking, section loss, heavy foundation cracking/spalling or collision damage. Sign structure requires monitoring.
Critical	Critical condition exists with major structural defects or loose components that could fall on roadway. Overhead sign requires immediate attention.

Deficiencies noted at overhead sign structures assigned a condition rating of excellent to fair are typically minor and do not require immediate attention. These deficiencies are typically addressed by the Maintenance Division or are included in a future contract. Therefore, recommendations are only provided for overhead sign structures assigned a condition rating of poor to critical since those deficiencies typically require either monitoring or immediate attention.

The following table lists the number of overhead sign structures inspected from 2015 to 2018. In addition, the table accounts for special inspections conducted in interim years to confirm that the severity of noted defects has not increased.

Table 12: Overhead Sign Structure Inspection Summary

Inspection Year	2015	2016	2017	2018
Total Sign Structures Inspected	173	185	188	228

As part of the current capital programs, there are a number of projects ongoing or recently completed systemwide which include the reconstruction of existing or the construction of new overhead sign structures. Many of these structures are not accounted for in the Overhead Sign Structure Inspection Summary over the previous four years provided herein because they have not been phased into the inspection schedule. Most notably, a more than 20% increase of inventory has occurred as part of the Jane Adams Memorial Tollway (I-90) corridor reconstruction and the ongoing reconstruction and expansion of the Illinois Route 390 Tollway corridor. It is expected that these overhead sign structures are and will remain in excellent condition for several years. These sign structures will be phased into the inspection schedule over the next four-year inspection cycle.

4.5 Facilities

There are several types of facilities throughout the Illinois Tollway system, including operations and administration, maintenance, toll plazas, power and communications buildings, oases and pump stations. Each may also contain multiple facility assets such as buildings, fuel stations etc. The current Illinois Tollway inventory contains 184 facilities. Through 2018, 69.0% of the facilities inspected over the most recent inspection cycle rated a condition of excellent to good, 20 facilities were assigned a condition of fair and 14 facilities were rated poor. No facility was given a rating of critical.

Visual inspections of the facilities located throughout the Illinois Tollway system are performed annually by the Illinois Tollway's Consulting Engineer. The inspection consists of the recording of visible deficiencies of all facility elements, including but not limited to buildings, mechanical and electrical, tunnels, canopies and sites with associated appurtenances. Facilities that are inspected include maintenance facilities, toll plazas, telecommunications buildings, oases and miscellaneous facilities. Facilities are generally inspected on a four-year cycle. However, newly constructed facilities or facilities last rated in excellent condition may be inspected on a slightly extended cycle due to the expectation of these facilities remaining in excellent condition for several years. Approximately 25% of Illinois Tollway facilities are inspected each year.

The objective of these inspections is to assess the general condition of Illinois Tollway facilities and associated site elements, identify elements requiring remedial work, make repair or replacement recommendations and evaluate the remaining useful life. The data provided by these inspections is utilized by the Illinois Tollway to program repairs and replacements of various facility components and to aid the Illinois Tollway Building Maintenance Division in planning and estimating maintenance repairs. The evaluations and recommendations are based upon visual observations, discussions with Illinois Tollway Building Maintenance Division personnel and the reviews of available reports. Emphasis is given to the identification of specific issues identified by on-site personnel experienced with the actual operating conditions of the facility. No destructive or non-destructive testing is performed, and no physical samples are collected as part of these inspections. In 2018, the inspection process included the use of Unmanned Aerial Vehicles to assess the conditions of canopies and roofs, making these inspections easier and safer.

An overall condition rating is assigned for each facility inspected. A separate condition rating is also typically assigned to each associated facility element. A rating system was developed to improve objectivity and uniformity between facilities inspected and inspectors. Based upon the assigned condition rating, the future inspection schedule for each facility may either remain on a four-year cycle or be recommended for more near-term inspections. The overall condition ratings utilized for the visual inspections are provided in the following table.

Table 13: Facilities Inspection Ratings Summary

Rating	Description
Excellent	All four conditions must be exhibited: • New Facility or component • No repair required • Condition like new • Component performing as intended
Good	All three conditions must be exhibited: • Facility is performing essentially as intended • Minor repair required (i.e., paint, clean, patching, etc.) • Less than 25% of the replacement cost of the facility or component is required to return the component to intended condition.
Poor	Any condition exhibited may be cause for rating: • Facility is approaching end of useful life • Major components need extensive repair / replacement work • 25% - 50% of the replacement cost of the system or component is required to return the component to intended condition
Critical	Any condition exhibited may be cause for rating: • System or component is non-functioning • Safety or environmental concerns are prevalent (If component exhibits safety or environmental concerns, entire system will be graded as critical) • More than 50% of the replacement cost of the facility or component is required to return the component to intended condition

Due to recent major capital program construction, there have been 70 newly constructed or reconstructed Illinois Tollway facilities systemwide. Facilities rated as fair to poor have seen renovation work performed to enable these facilities to continue to function although costs to maintain and repair ancillary systems including plumbing, heating and cooling, mechanical and electrical will continue to increase. Architectural and site improvements have been made to maintenance facilities on an “as needed” basis through capital improvement projects. In addition, the I-PASS implementation program has enabled many upgrades, renovations and replacement of toll plazas. To date, all mainline toll plazas have been reconstructed or rehabilitated to accommodate open road tolling.

Illinois Tollway Building Maintenance Division forces provide necessary day-to-day repairs of facilities to the greatest extent possible. More intensive repair and rehabilitation work is performed as part of the capital programs.

4.5.1 Maintenance Facilities and Miscellaneous Facilities

The maintenance facilities typically consist of garages, offices, salt domes, gas pumping facilities, storage buildings, telecommunication towers and other components.

A major Facilities' capital program to repair or replace a number of maintenance facility buildings began in late 2008. The initial emphasis of this program was the repair of existing systems and the improvement of the working environment for Illinois Tollway employees. These improvements have been and continue to be consistent with the Illinois Tollway's desire for sustainable facilities. A scope and schedule for a 10-year program has been approved. However, due to funding restrictions, the budget is approved annually, thus requiring annual review of the program schedule and prioritization of needed repairs and facility upgrades.

Due to the adoption of the *Move Illinois* Program, a number of maintenance facilities are programmed for relocation, reconstruction or rehabilitation. Thus, the emphasis at these facilities has shifted to keep them functional until the programmed reconstruction or rehabilitation. As a result, Professional Service Bulletin No. 12-5 was issued in October 2012 which included contract RR-12-4079 (Maintenance Facilities) that began in 2013. The purpose of this contract is to provide Phase I and II engineering services for the development of a master plan and design/architectural plans for the maintenance facilities. The scope of work includes the following:

- Development of a short-term maintenance repair plan to keep the existing facilities functional until reconstruction or rehabilitation.
- Development of master plans for reconstructed or relocated maintenance facilities.
- Development of the plats of survey for the Maintenance Facility M-4 (Gurnee), M-8 (Naperville) and Elgin O'Hare Western Access maintenance facilities.
- Development of contract documents for the construction of the maintenance buildings including the finalization of two prototype designs for the reconstructed and relocated maintenance facilities.
- Development of a strategy to maintain facilities and maintenance operations during construction.
- Site investigations and potential remediation.

The improvements completed to date and those anticipated as part of Contract RR-12-4079 have been and will continue to be consistent with the Illinois Tollway's desire for sustainable facilities. It is anticipated that the improvements that were not completed as part of the original Facilities' Capital Program will be addressed as part of contract RR-12-4079 as budget permits.

The prototype master plan developed for the reconstruction of maintenance facilities has been implemented at Maintenance Facility M-1 (Alsip). Work was completed in 2015. Construction at Maintenance Facilities M-6 (Marengo) and M-7 (Rockford) was completed in 2018.

In 2001, it was first recommended to program the replacement of deteriorated salt dome roofs throughout the system into a systemwide contract and to replace the vehicle storage building at Maintenance Facility M-1 by 2006. That work has been completed, and to date, salt dome repair/replacement has been completed at Maintenance Facilities M-1, M-2, M-3, M-4, M-7, M-8, M-11 and M-12 and at the Illinois Route 251 salt dome.

The majority of maintenance and miscellaneous facilities throughout the Illinois Tollway system have generally been assigned a condition rating of good over the previous four-year inspection cycle. These facilities typically only require minor repairs and continued routine maintenance. There were four facilities assigned a condition rating of poor during this period.

- Maintenance Facility M-3 (Park Ridge)
- Maintenance Facility M-4 (Gurnee)
- Maintenance Facility M-5 (Arlington Heights)
- Maintenance Facility M-8 (Naperville) - Construction beginning in 2019

4.5.2 Toll Plazas

The majority of Toll Plazas throughout the Illinois Tollway system have generally been assigned a condition rating of good over the previous four-year inspection cycle. These facilities typically only require minor repairs and continued routine maintenance. Systemwide, there were seven Toll Plazas last rated in poor condition.

- Plaza 31 (O'Hare West)
- Plaza 37 (I-55/Joliet Road)
- Plaza 47 (Halsted Street/Illinois Route 1)
- Plaza 53 (Spring Road/22nd Street)
- Plaza 56a (Highland Avenue)
- Plaza 56b (Highland Avenue/Illinois Route 56))
- Plaza 63 (Illinois Route 31)

4.5.3 Communication Facilities

All communication facilities throughout the Illinois Tollway system have been assigned a condition rating of good over the previous four-year inspection cycle. These facilities typically only require minor repairs and continued routine maintenance.

4.5.4 Oases

All oases throughout the Illinois Tollway system have been assigned a condition rating of good over the previous four-year inspection cycle. These facilities typically only require minor repairs and continued routine maintenance. Rehabilitation or reconstruction of the parking areas at the oasis facilities commenced in 2014 and was completed in 2015. The Des Plaines Oasis along I-90 was removed as part of the I-90 widening and to make way for the planned interchange with I-490. The O'Hare Oasis over I-294 was taken out of service and demolished in 2018. Some activities remain at both the O'Hare (I-294) and Hinsdale (I-294) Oases, including gas stations and convenience stores operated by others.

4.6 ITS Devices

In 2016, due to the increased deployment of Intelligent Transportation System (ITS) devices throughout the Illinois Tollway system, the Consulting Engineers performed a field inventory of the ITS devices systemwide. This inventory was done to verify the location, condition and functionality of deployed devices. This information allows the Illinois Tollway to accurately account for the number of ITS devices under its jurisdiction and to enable the Consulting Engineers to develop a more detailed ITS device inspection and preventive maintenance program.

There are several types of ITS devices deployed throughout the system. These are categorized by ITS Site (poles, mounting hardware, switches, communication devices etc.), CCTV, DMS, Vehicle Detection Systems (VDS), Roadway Weather Information Systems (RWIS), Weigh-In-Motion (WIM), Flashing Beacons and Control Cabinets.

As of 2018, the Illinois Tollway has the following ITS devices deployed in its system.

Table 14: ITS Device Summary

Type	*Site*	*Beacon*	*CCTV**	*DMS***	*VDS*	*RWIS*	*WIM*	*Cabinet*	*Total*
Quantity	***872***	***6***	***1,149***	***449***	***393***	***19***	***7***	***82***	***2,977***

** CCTV devices consist of ITS, toll plazas and shared use cameras.*

*** DMS devices consist of Type 1, Type 2 and lane control use signs.*

Inspections consist of ground-level visual inspection of the device and control components, verification that the device is communicating with TIMS and inventory and operational verification of the device and control components. These inspections occur on an annual basis. ITS assets located within an active construction zone are generally not inspected. 100% of all remaining ITS assets were inspected in 2018.

As a means to ensure that all ITS assets are kept in a satisfactory condition and inspectors, designers and maintainers have a consistent and objective standard for determining the status of ITS assets, the Illinois Tollway has developed the following Overall Condition Index (OCI) to measure asset condition.

Table 15: ITS Rating System

Rating	Description
Excellent 100 to 90	New device, element or component Device, element or component is performing as intended No repair required Condition like new
Good 89 to 70	Device, element or component is performing as intended Only minor repair (i.e. paint, clean etc.) required to return the device, element or component to intended condition.
Fair 69 to 50	Device, element or component is performing essentially as intended Substantial repair (i.e. component/system required replacement) required to return the device, element or component to intended condition.
Poor 49 to 30	Device, element or component has reached predicted end of useful life, but is functioning. Major components requiring extensive repair/replacement work to return the device, element or component to intended condition.
Critical 29 to 0	Device, element or component is non-functioning. Safety or environmental concerns are prevalent.

For the 2018 annual ITS inspection season, the reported status of the overall Tollway ITS infrastructure is estimated to be in “Fair” condition with an average OCI of 60.19.

4.7 Electronic Tolling System

The electronic tolling system encompasses technologies related to automatic vehicle detection, automatic vehicle classification and violation enforcement systems that support traffic and revenue monitoring and collections. These technologies are deployed at all Illinois Tollway toll plazas at 580 lanes throughout the Illinois Tollway system. Back-office hardware and software along telecommunications and networking facilities support toll collection, I-PASS customer service and violations processing. These back-office operations are located at multiple and redundant facilities, including the Central Administration data center, the Call Center located at the University of Illinois Chicago campus and a Disaster Recovery site located in DeKalb. These systems are generally in good condition.

The primary objective of the Illinois Tollway Department of Business Systems (DBS) is revenue assurance. As such, policies and contractual relationships have been enacted that focus on enhancing and optimizing revenue capture and completeness. While the technology assets are an integral component to this objective, the focus is on the bottom-line results and the ability of the systems to capture revenue accurately rather than focus on the condition of the equipment itself.

Historically, internal and external personnel are responsible for preventive, routine and corrective maintenance of the various technologies. The lifecycle of electronic tolling system equipment varies by sub-system components, while the average age and predicted replacement of critical components and parts are tracked and managed by DBS. Replacement and upgrade of components has followed a planned and budgeted process. Moving forward, DBS has engaged an asset management consultant which shall perform routine inspections to verify the health and reliability of these technologies. Specific deficiencies identified during these inspections will be documented in the DBS Asset Management System and preventative maintenance activities shall be deployed to mitigate identified concerns.

Inspections by the Consulting Engineers of electronic tolling system devices have been limited to a visual inspection as part of the annual inspection of the right-of-way, appurtenances and facilities, discussed elsewhere within this report. Due to the increased deployment of electronic tolling system devices throughout the system, it is recommended that the Consulting Engineers review the inspection results from the DBS asset management consultant to ensure the Illinois Tollway's assets remain in a state of good repair, as it pertains to this report.

5 Estimated Renewal and Replacement Deposits

Section 204(1)(4) of the Trust Indenture details that the Consulting Engineers shall provide estimates of Renewal and Replacement Deposits. The Renewal and Replacement Deposit is the "amount budgeted for deposit to or projected for deposit to the Renewal and Replacement Account for Renewal and Replacement Expenses, other than such budgeted or projected amounts which the Illinois Tollway has determined will be available for Renewal and Replacement Expenses from the System Reserve Fund, the Improvement Fund, or from the proceeds of authorized borrowings or from installment purchases or leases."

The table below provides estimates of Renewal and Replacement Deposits for each of the fiscal years 2019 through 2031. The Renewal and Replacement Deposits are based upon the following information provided to the Consulting Engineers prior to the issuance of this report:

- Estimated capital expenditures of $14.2 billion for the execution of *Move Illinois* Program as described in Sections 2 and 3 with approximately $5.4 billion spent through 2018
- The finance plan provided to the Consulting Engineers by the Illinois Tollway, which currently anticipates that the *Move Illinois* Program will be paid for with approximately $5.6 billion of bond proceeds and approximately $8.6 billion of Illinois Tollway revenue
- The below deposits consist of revenue funds to be used for Renewal and Replacement expenditures

The Consulting Engineers utilize and rely upon information provided by the Illinois Tollway and PMO for the development of the Renewal and Replacement Deposit estimates. The estimates are developed based upon the independent review of information provided prior to the issuance of this report. The Consulting Engineers provide an annual letter to the Illinois Tollway indicating the recommended deposit amount for the following year, pursuant to the requirements of Section 710.1 of the Trust Indenture. The Consulting Engineers provide concurrence to the amount of the recommended deposit based upon projected balances, budgeted expenditures, projected future expenditures and other pertinent considerations or information at the time of the letter issuance.

Estimated Renewal and Replacement Deposits will fund the *Move Illinois* Program. The Trust Indenture requires projections for five years beyond the projected "in-service" date of the project.

Table 16: Estimated Annual Renewal and Replacement Deposits

Year	Renewal and Replacement
2019	$420,000,000
2020	$240,000,000
2021	$240,000,000
2022	$228,000,000
2023	$180,000,000
2024	$288,000,000
2025	$240,000,000
2026	$348,000,000
2027	$300,000,000
2028	$300,000,000
2029	$300,000,000
2030	$300,000,000
2031	$300,000,000

6 Operating Expenses

Operating Expenses are the expenses that the Illinois Tollway incurs due to the normal course of business for operation, maintenance and repairs of the Illinois Tollway system. Operating expenses do not include debt services; the Illinois Tollway's debt service obligations are not discussed in this report. The summary, review and future projections of the Illinois Tollway Operating expenses provided in this section rely upon budget and actual expenditure data provided by the Illinois Tollway.

6.1 Historic Expenses

The Illinois Tollway's organizational structure consisted of 14 primary functions, including: Administration, Business Systems, Communications, Diversity and Strategic Development, Engineering, Planning, Executive/Board of Directors, Finance and Procurement, Information Technology, Inspector General (Investigations), Internal Audit, Legal, Illinois State Police and Toll Operations. The following table identifies, by primary function, the budgeted and actual Operating Expenses for the Illinois Tollway in 2018 and the budgeted Operating Expenses for 2019. The 2019 overall budget represents a 3.6% increase compared to the 2018 budgeted expenses and an 8.6% increase compared to 2018 actual expenses.

Table 17: 2019 Budgeted Expenditures

Department	2018 Budgeted Expenditures		2018 Actual Expenditures		2019 Budgeted Expenditures	
Administration	$4,080,589	1.16%	$4,079,439	1.21%	$4,229,045	1.16%
Business Systems	$85,854,395	24.34%	$86,634,309	25.76%	$93,861,684	25.69%
Communications	$1,669,684	0.47%	$1,674,268	0.50%	$1,583,404	0.43%
Diversity and Strategic Development	$5,845,709	1.66%	$4,527,057	1.35%	$5,766,475	1.58%
Engineering	$76,018,307	21.55%	$76,950,610	22.88%	$77,989,779	21.35%
Planning	$2,375,141	0.67%	$2,205,478	0.66%	$2,578,555	0.71%
Executive Office and Directors	$2,283,272	0.65%	$2,144,559	0.64%	$2,464,839	0.67%
Office of Finance	$61,579,010	17.46%	$51,381,465	15.28%	$61,531,825	16.84%
Information Technology	$18,682,035	5.30%	$14,895,794	4.43%	$20,602,090	5.64%
Inspector General	$953,909	0.27%	$928,739	0.28%	$1,155,956	0.32%
Internal Audit	$924,163	0.26%	$667,473	0.20%	$948,115	0.26%
Legal	$1,854,267	0.53%	$1,422,990	0.43%	$1,925,584	0.53%
State Police	$33,693,909	9.55%	$33,746,340	10.03%	$34,790,436	9.52%
Toll Operations	$56,935,688	16.14%	$54,082,811	16.38%	$55,945,752	15.31%
Total	**$352,750,078**	**100%**	**$336,361,331**	**100%**	**$365,373,539**	**100%**

The existing Illinois Tollway system to be maintained and operated includes 294 miles of limited access highways featuring a toll collection system consisting of mainline plazas and ramp plazas with I-PASS, automatic coin collection, manual lanes and automated toll payment machines (ATPM). The CRP expanded the system to include the 12.5-mile extension of the Veterans Memorial Tollway, the widening of existing routes and the construction of additional interchanges. Additional improvements under the *Move Illinois* Program will add new capacity on existing routes, create new routes within the Illinois Tollway system and will introduce additional locations of all-electronic tolling, where no cash or coins are collected.

6.2 Illinois Tollway Operating Expenses by Department

Each department has a defined operating budget that is prepared by both the specific department and the Illinois Tollway's Finance Department. Quarterly expenditures are carefully monitored to verify compliance with the budget and to identify revisions that need to be made either in the current calendar year, or for the following year budget preparation.

Department expenses are fairly static and are generally influenced by the budgeted and actual headcounts within the department, as well as some minor annual fluctuations of material, utility or contract costs. The Illinois Tollway strives to manage their overall and department budgets. Salary and wage adjustments, required retirement contributions and inflationary factors are the main variables on a year-over-year basis. Individual department budgets and overall budget line items may vary from one year to the next due to equipment refresh or operational changes. Four departments are influenced by dynamic factors that change from year to year: Toll Operations, Business Systems, Engineering and Finance.

6.2.1 Toll Operations

The Illinois Tollway's Toll Operations Department is responsible for manual toll collection, which includes the collection and counting of all manually collected toll revenue, along with cash handling. Maintenance of Illinois Tollway buildings is also managed within Toll Operations. The headcount for Toll Operations decreased substantially as the open road tolling projects opened and the total number of manned toll lanes were reduced. The number of budgeted positions dropped roughly 40% to approximately 500 positions between 2009 and 2019. The reduction in budgeted positions between 2018 and 2019 was approximately 10%. The need for lane walkers was eliminated, and staffing continues to experience reductions to become more flexible (part-time and seasonal workers) as open road tolling and I-PASS usage matures with changes to toll rates, transponder penetration, transponder usage from other states and other factors. In addition, the Illinois Tollway has begun adjusting staffing levels so that there may not be any collectors at low-usage time periods (most notably during overnight hours on the rural plazas on the Jane Addams and Reagan Memorial Tollways). The Illinois Tollway is also continuing to implement ATPM installations at targeted locations to accommodate non-transponder customers to reduce the dependence on manual toll collection staff.

Expenses related to Toll Operations are variable, primarily based upon the active number of employees there are within the department, which is influenced by the number of annual manual toll transactions. Employee costs make up 85% of the total department cost in the 2019 budget. As staffing levels have adjusted downward, the salary and wage costs are reduced, even considering wage adjustments. Retirement costs have increased, which have negated salary and wage cost reductions. Compared to 2009 actual costs, the 2019 budgeted salary and wage costs for Toll Operations decline by 20%, while 2019 budgeted retirement costs increase by 48%. The overall result is that the combined cost of salary, wages and retirement is falling slightly with a 3.5% decrease between the 2009 costs and 2019 budgeted costs. In the 2019 budget, retirement costs represent 32% of Toll Operations' Expenses.

The Illinois Tollway has recently opened three interchanges that are fully electronic, and additional interchanges are planned. The planned Elgin O'Hare Western Access roadways are expected to be exclusively electronic. Although trending towards increasing percentages of electronic transactions, the Illinois Tollway has not targeted a time for complete elimination of cash tolling. The Illinois Tollway will continue to study industry trends and evaluate options.

6.2.2 Business Systems

The Business Systems Department is responsible for the operation and maintenance of the electronic tolling system hardware and software, which also includes collecting toll revenue from toll violators, assessing fines and imposing sanctions. The department monitors the contracts and performance of the structure surrounding the Electronic Tolling System known as open road tolling. Additionally, Business Systems provides support through the Customer Call Center, which acts as a single point of contact for all customer calls that relate to I-PASS, violations processing and missed toll services.

Business Systems expenses are primarily variable with respect to the number of transactions and amount of revenue collected from customers. Due to the increasing number of electronic transactions year over year, and toll rate increases effective January 1, 2012 and January 1, 2015-2019, the overall department budget has increased by 109% between 2011 and the budget year 2019.

As discussed above regarding Toll Operations, no timetable has been set for eliminating cash collection. There should be the expectation that I-PASS usage increases, especially with cash rates continuing to be double the I-PASS rate. Increased I-PASS transactions; traffic and revenue enhancement due to natural growth; increased capacity due to roadway widening; and substantial increase in vehicles due to roadway openings will all contribute to driving up costs within the Business Systems Department. Business Systems' expenditures are anticipated to experience an average annual increase of 4.4% as projected over the duration of the *Move Illinois* Program.

6.2.3 Engineering

The Engineering Department is responsible for the planning, design, construction, operation and maintenance of the Illinois Tollway system. Additionally, Engineering works closely with the Planning Department in coordinating with community groups, government agencies and planning organizations on transportation and land-use policy. This department oversees annual inspections of the pavement, bridges and drainage systems, as well as the overall day-to-day maintenance of the Illinois Tollway's fleet and roadway system.

The Engineering Department oversees three areas of operation:

- Design – Project plans and specifications are prepared for various construction and maintenance activities according to the capital improvement program schedule.
- Construction – Implements the construction phase of projects, monitoring construction quality, schedule and budget.
- Maintenance / Traffic – Maintains the roadway system by keeping roads clean, properly lit and serviceable in all weather conditions; managing incidents; and informing motorists of traffic and travel concerns.

As of December 2018, the Engineering Department had an actual headcount of 562 employees, with approximately 77% of the employees within the Maintenance / Traffic unit.

The improvements made as part of the *Move Illinois* Program affect the Engineering Department in two significant ways:

- There is an increased need for additional engineers within design and construction units required to administer the design and construction phases of the projects. The majority of this work has and will be performed by Consulting Engineers under contract with the Illinois Tollway, including the PMO and other firms serving as Design Section Engineers (DSE) and Construction Managers (CM). These costs are included within the *Move Illinois* Program budgets.

- Maintenance and Traffic units staffing needs are anticipated to increase as the system length and number of lane miles grow. Staff needs in most of the Engineering groups are also anticipated to increase due to additional traffic and the system growth.

Table 18: Growth in Illinois Tollway System

Year	Centerline Miles	Total Lane-Miles
2012	284.1	2044.2
2013	284.1	2047.9
2014	284.1	2127.7
2015	284.1	2133.5
2016	290.6	2255.1
2017	294.0	2277.0
2018	294.0	2277.5
2019	294.0	2281.6
2020	294.0	2287.5
2021	297.2	2332.6
2022	297.5	2338.8
2023	300.1	2366.5
2024	300.1	2375.5
2025	301.3	2409.5
2026	301.3	2409.5

The Maintenance / Traffic unit is subdivided into the following groups (staffing levels as of December 2018):

- Roadway Maintenance had 365 staffed positions working from the 12 maintenance facilities. They are responsible for activities such as roadway sweeping; litter collection; snow and ice control; minor pavement, guardrail, fence and bridge work; drainage system upkeep; roadside landscaping; traffic channelization; and motorist aid.
- Fleet Maintenance had 69 staffed positions and is responsible for the maintenance of all Illinois Tollway vehicles.
- Sign Shop had 19 staffed positions.
- Roadway Electric had 15 staffed positions.
- Traffic Operations had 16 staffed positions in the traffic operations center.
- Dispatch had 32 staffed positions and is responsible for dispatching services in response to calls for motorist aid.

Maintenance / Traffic uses a database called the Maintenance Management System (MMS) to track costs associated with the Roadway Maintenance group and the Roadway Signage and Lighting activities of the Traffic Operations group. The Illinois Tollway provides the Consulting Engineers with year-end reports derived from the Maintenance Management System. On a percentage basis, the leading major activities in 2018 were snow and ice control (39%), roadside litter control (18%) and general maintenance (15%).

Staffing levels at maintenance facilities have been closely tied to the snow and ice control program because of the high level of service goals established by the Illinois Tollway. Although snow and ice control are a seasonal activity, staff are hired on a permanent basis rather than as temporary or seasonal help. Snow and ice control staff members are prohibited from using vacation time during winter. Historically, the staffing level needed for snow and ice control has been relatively equal to the needs for maintenance work throughout the year. In addition, other staff, including a portion of the building maintenance employees in the Toll Operations Department, are trained to be available for snow and ice control functions. A 5.8% increase in new lane miles is planned as part of the *Move Illinois* program, and a 4% increase in Maintenance staff is assumed by the conclusion of the *Move Illinois* program.

6.2.4 Finance

The Finance Department covers a variety of internal and external roles within the Illinois Tollway. The majority of the cost items that are included within the department are fairly consistent. Risk Management is a small division within Finance that funds the costs for Worker’s Compensation Insurance, Employee Group Insurance, and Property Insurance for the Illinois Tollway. These three insurance items totaled $47.6 million in the 2019 budget, which represents a 77% share of the Finance Department expenses and 13% of the total Illinois Tollway expenditures. Insurance costs may vary in the future due to changes in premiums and staffing levels, self-insurance requirements and other factors.

6.3 Estimated Illinois Tollway Operating Expenses

From current expenditure and budget information provided by the Illinois Tollway, overall, salary and wage costs are projected to escalate to account for annual wage adjustments required by collective bargaining. The staffing level for the Engineering Department is projected to increase slightly year over year as additional lane mileage is added as part of the *Move Illinois* Program, then remain static after 2025. Overall, Engineering Department staff is anticipated to increase by approximately 4% by year 2025. Operational services staffing levels are projected to remain flat. Business Systems costs are expected to increase at a relatively higher rate than other departments over the study period due to transponder usage, increased toll rates (including the annual CPI-based toll rate increases for commercial vehicles) and increases in traffic. The Business Systems costs include both the transaction processing and the bank charges for account replenishment, video tolling charges and violation payments. The inflation rate utilized for non-labor expenditures is 3.0%.

Retirement and pension contributions, as a percentage of salary and wages, has risen significantly in recent years. From the State fiscal years 2013 – 2020, the employer contribution rates published by the State Employees' Retirement System (SERS) are as follows:

Table 19: State Employees' Retirement System – Employer Contribution Rate

State Fiscal Year	Beginning Date	Ending Date	Total Employer Contribution Rate
2013	7/1/2012	6/30/2013	37.987%
2014	7/1/2013	6/30/2014	40.312%
2015	7/1/2014	6/30/2015	42.339%
2016	7/1/2015	6/30/2016	45.598%
2017	7/1/2016	6/30/2017	44.568%
2018	7/1/2017	6/30/2018	47.342%
2019	7/1/2018	6/30/2019	51.614%
2020	7/1/2019	6/30/2020	54.290%

The employer contribution rate of 57% has been used for the purposes of projecting future operating costs beyond 2020. This is based on the draft actuarial report prepared for SERS, forecasting an increase in the employer contribution rate to approximately 57%.

The Trust Indenture requires projections for five years beyond the projected "in-service" date of the project. Based on the information above, the Consulting Engineers have projected Operating Expenses, as defined in the Trust Indenture, for each of the fiscal years 2019 through 2031 as provided in the table below.

Table 20: Estimated Operating Expenses

Year	Operating Expenses (Millions)	Annual Increase
2019	$365.4	
2020	$380.2	4.1%
2021	$395.0	3.9%
2022	$410.2	3.8%
2023	$426.3	3.9%
2024	$442.7	3.8%
2025	$459.7	3.8%
2026	$483.5	5.2%
2027	$501.9	3.8%
2028	$520.3	3.7%
2029	$538.8	3.6%
2030	$552.3	2.5%
2031	$571.6	3.5%

The estimates for Operating Expenses prepared by the Consulting Engineers and included in this report have an average growth per year of approximately 3.8% between 2020 and 2031. There are many factors that will dictate what the actual Operating Expenses experienced by the Illinois Tollway will be, and the Consulting Engineers cannot predict the outcome of these factors. The Consulting Engineers have reviewed the data and forecasts provided by the Illinois Tollway with respect to proposed system expansion and operational changes and find them to be reasonable. Thus, these forecasts and assumptions have been included in the Consulting Engineers analysis. However, the Consulting Engineers cannot predict unforeseen circumstances or unusual price escalations that are not currently identified and known, so the estimates above may vary from actual future expenses.

7 Conclusion

This report complies with Section 204.1.(4) of the Amended and Restated Trust Indenture Effective March 31, 1999. It provides the estimates for Operating Expenses and Renewal & Replacement Deposits for five years beyond the projected in-service date (through 2031). It also provides the estimated cost of construction and the schedule of completion for the projects (as developed by the Illinois Tollway's PMO and reviewed for reasonableness by the Consulting Engineer) included in the Illinois Tollway's *Move Illinois* Program that is being partly funded from bond proceeds. Current professional practices and procedures commensurate with the scope and schedule of the Consulting Engineers work were used in the development of this report. In that regard, in preparing this report, the Consulting Engineers are compelled to rely on information from, and the work of, others. Although that information and work product is examined for reasonableness, no extensive or exhaustive effort is undertaken by the Consulting Engineers to confirm the accuracy of such information and work product.

The Illinois Tollway has had remarkable success in delivering the Congestion Relief Program in a timely fashion and under budget. This success is continuing as the Illinois Tollway proceeds with major construction of *Move Illinois* Program projects in 2019, the eighth year of the *Move Illinois* Program. The cost estimates utilized for the compilation of costs for the program follow standard industry practices and contain appropriate contingency factors based upon level of completeness of the design. All project costs are escalated appropriately to the estimated mid-point of construction. Currently, the overall estimated cost of the *Move Illinois* Program at $14.175 billion appears reasonable.

This report is intended for the use of the Illinois Tollway for inclusion in the Preliminary Official Statement and Official Statement for the Illinois Tollway's issuance of Toll Highway Senior Revenue Bonds, 2019 Series B, the sale and issuance of which is expected in November 2019. This report is subject to the limitations described within the Official Statement, such as those with respect to forward-looking statements, which are incorporated within this report. The Consulting Engineers are not, and have not been, a municipal advisor as defined in Federal law (such as the Dodd-Frank Wall Street Reform and Consumer Protection Act) to the Illinois Tollway and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Illinois Tollway with respect to the information and material contained in this report. The Consulting Engineers are not recommending and has not recommended any action to the Illinois Tollway.

Market conditions and unforeseen events beyond the control of the Consulting Engineers, the PMO or the Illinois Tollway may affect the implementation and cost of the *Move Illinois* Program and the future Operating Expenses of the Illinois Tollway as detailed herein. The Consulting Engineers presume that the PMO will continually monitor the *Move Illinois* Program and will adjust the scopes and schedules of projects in order to control the cost of the overall program. On an annual basis, the Consulting Engineers' recommendation for the Renewal and Replacement deposit will reflect consideration of adjustments to the *Move Illinois* Program by the PMO.

Finally, no one should use or rely on this report for any purpose without giving due consideration to the impact that the above-described circumstances and factors might have on the estimates and findings contained herein.

ABOUT WSP

WSP USA is the U.S. operating company of one of the world's leading engineering and professional services firms—WSP. Dedicated to serving local communities, we are engineers, planners, technical experts, strategic advisors and construction management professionals. WSP USA designs lasting solutions in the buildings, transportation, energy, water and environment sectors. With nearly 7,000 people in 100 offices across the U.S., we partner with our clients to help communities prosper.

Illinois Tollway
2700 Ogden Avenue
Downers Grove, IL 60515

ILLINOIS TOLLWAY GEC

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APPENDIX C

TRAFFIC ENGINEERS' REPORT

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October 28, 2019

Mr. Michael Colsch
Chief Financial Officer
The Illinois State Toll Highway Authority
2700 Ogden Avenue
Downers Grove, IL 60515

Subject: **Illinois Tollway Comprehensive Study Update**

Dear Mr. Colsch:

Pursuant to your recent request, CDM Smith is pleased to provide you with updated traffic and revenue (T&R) estimates for The Illinois State Toll Highway Authority (ISTHA). ISTHA operates a system of toll facilities (Illinois Tollway) in northern Illinois as described below under "System Description" and "System Overview." It is our understanding that this update is intended to support an upcoming issuance of Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding) with sale expected in the fourth quarter of 2019.

As the Traffic Engineer for ISTHA, CDM Smith monitors T&R trends, prepares Revenue Certificates, and issues an Annual Toll Revenue Report. CDM Smith also conducts various traffic and planning studies and provides technical support for Illinois Tollway planning and operations. In April of 2013, CDM Smith submitted a comprehensive T&R study for the Illinois Tollway (*2013 Comprehensive Report*), presenting updated traffic and gross toll revenue estimates through 2040, as well as supporting materials. Between April 2013 and February 2014, the *2013 Comprehensive Report* was included in the Official Statements issued by ISTHA in support of its Toll Highway Senior Revenue Bonds. Since May 2014, the report has been updated to support additional ISTHA issuances of Toll Highway Senior Revenue Bonds. The most recent update was made in June 2019 in support of ISTHA's "Toll Highway Senior Revenue Bonds, 2019 Series A."

The following report replaces the June 2019 update and brings data sources, analysis, and projections current as of the date of this document, as well as extending the forecasts through 2044. CDM Smith is working on a new comprehensive T&R study, including an update to our long-term forecast for the Illinois Tollway. This update will incorporate Chicago Metropolitan Agency for Planning's (CMAP) latest plan and socioeconomic forecast for the Chicago region, ON TO 2050, which was adopted by the CMAP board on October 10, 2018. It is expected to be completed in 2020.

The following report comprises an extensive review of Illinois Tollway performance trends; a review of recent national, regional, and local economic performance; a review and updates to reflect revised economic and demographic forecasts; a review of the ISTHA's current capital plan; and the resulting traffic and gross expected toll revenue estimates.

System Description

The Illinois Tollway is located in northeast Illinois, primarily within the Chicago metropolitan area and the surrounding collar counties. The Illinois Tollway was created by the Illinois General Assembly in 1953 to provide for the construction, operation, regulation, and maintenance of a system of toll highways within the state of Illinois. Opened in 1958, the first Illinois Tollway routes were financed through the sale of revenue bonds. Maintenance and operating costs, capital costs, and bond debt payments are funded through the collection of tolls paid by roadway users. The Illinois Tollway system is self-supporting and does not receive federal or state funding. The system has expanded dramatically over the years to keep pace with increasing traffic demand and regional expansion. The system currently includes 294 centerline miles of limited-access highways. Four of the five routes are part of the Interstate Highway System, while the fifth, the Illinois Route 390 Tollway (IL 390), is an Illinois state route built to interstate standards.

In September 2004, the ISTHA Board of Directors (Board) approved a long-range capital plan, called the Congestion-Relief Program (CRP). At the same time, the Board approved a new toll-rate structure that was put into effect on January 1, 2005 to help finance the capital program. The CRP widened several parts of the system to reduce existing congestion and accommodate future traffic growth. The majority of the widening projects also included reconstruction of the existing roadway. Additionally, the CRP reduced delays at toll plazas by adding Open Road Tolling (ORT) to all mainline toll plazas. Finally, the CRP funded a new addition to the system, the South Extension of the Veterans Memorial Tollway, which opened on November 11, 2007.

Following an 18-month review and public discussion of the Illinois Tollway's needs for its existing system and opportunities to improve regional mobility, the Board adopted a 15-year, $12 billion capital program called *Move Illinois: The Illinois Tollway Driving the Future,* or *Move Illinois*, in August 2011. In April 2017, the Illinois Tollway's Board approved an amendment of the *Move Illinois* program to add $2.1 billion in support of an expanded scope for the central portion of the Tri-State Tollway (Central Tri-State). The revised scope includes new capacity, improved interchange configuration, and other improvements to the Central Tri-State. Construction work began in July 2018.

Move Illinois is funded through a combination of current toll revenue and bonds backed by future toll revenues. In anticipation of *Move Illinois*, passenger car (PC) toll rates were increased effective January 1, 2012. In addition, a three-phased commercial vehicle (CV) toll rate increase was implemented between 2015 and 2017. Starting January 1, 2018, CV rates began increasing annually at the rate of inflation. *Move Illinois* is scheduled to be completed by 2026. Cornerstone projects include rebuilding and widening the Jane Addams Memorial Tollway between I-39 and the Kennedy Expressway; reconstructing and widening the Central Tri-State; constructing the Elgin-O'Hare Western Access (EOWA) Project, which includes widening, tolling, and extending the former Elgin-O'Hare Expressway and constructing the new I-490 Tollway; and constructing the I-57/I-294 interchange. The first phase of the I-57/I-294 interchange opened to traffic in

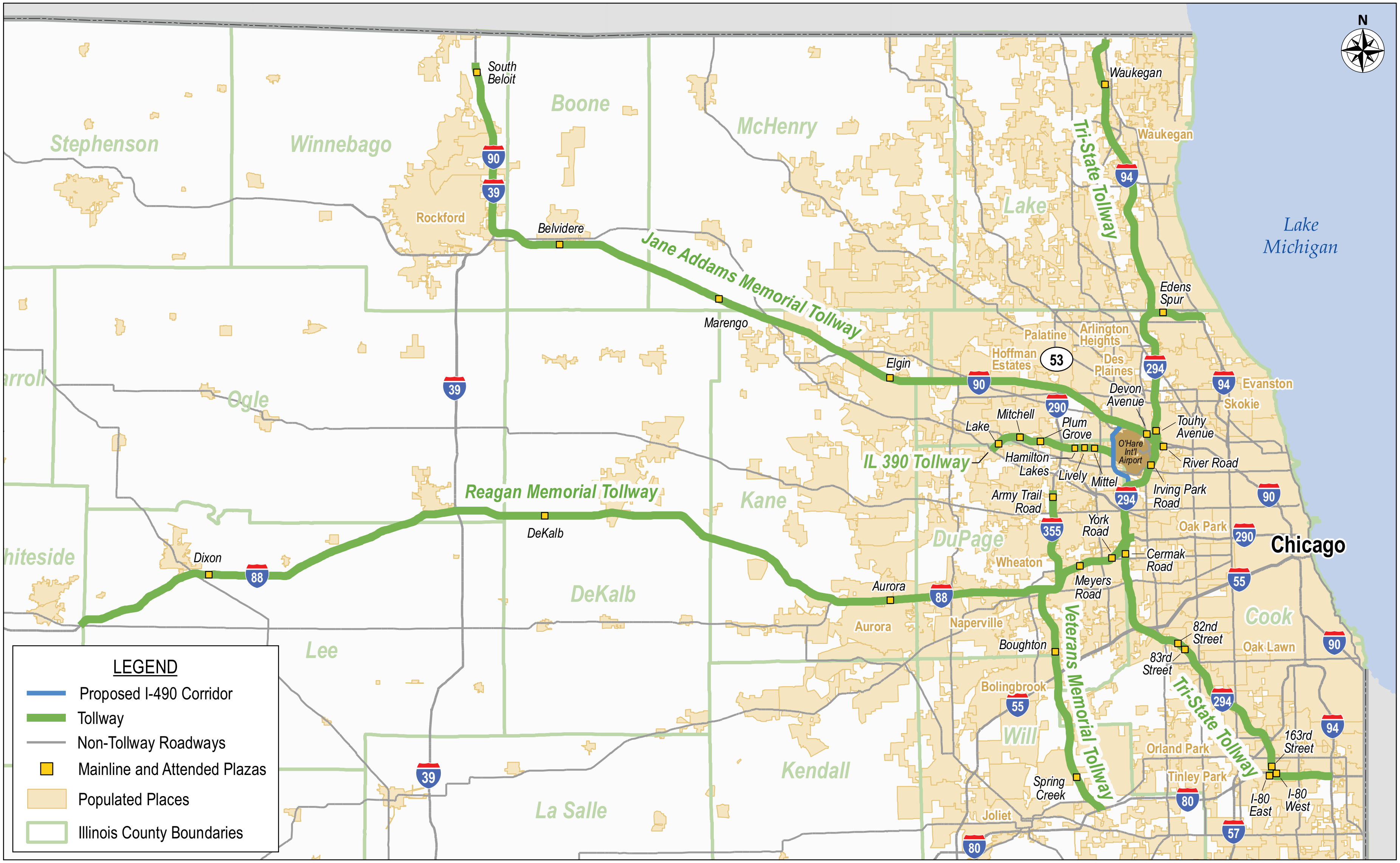
October 2014. In December 2016, the reconstructed and widened Jane Addams Memorial Tollway was completed. The first phase of the EOWA project, IL 390 (formerly the Elgin-O'Hare Expressway), began tolling operations in July of 2016. The second phase, an eastward extension of IL 390, opened on November 1, 2017. The timing for completion of the remainder of the EOWA project is subject to change; for purposes of this report, the additional phases are primarily assumed to open in 2022, 2024, and 2026.

System Overview

The Illinois Tollway system currently consists of five toll facilities: the Jane Addams Memorial, the Tri-State, the Reagan Memorial, the Veterans Memorial, and IL 390, as shown in **Figure 1**. Below is a general description of the physical attributes and location of each Illinois Tollway route and an overview of the demographic and socioeconomic makeup of the areas they serve.

The Jane Addams Memorial Tollway, designated I-90 for its entire length, runs in a generally east-west alignment from just east of Chicago O'Hare International Airport (O'Hare) through Rockford, Illinois, and then north towards the Wisconsin border. The route passes through portions of Cook, Kane, McHenry, Boone, and Winnebago counties. Its western terminus is located at Rockton Road, 2.7 miles south of the Illinois-Wisconsin border. The eastern terminus is located just east of O'Hare, beyond which I-90 continues as the Kennedy Expressway, providing a direct connection to the northwest side of Chicago and the Chicago central business district. A major project—to add one lane in both directions and reconstruct the Jane Addams Memorial Tollway between I-39 and I-294—was completed in 2016. Widening and reconstruction of the western section—between I-39 and the Elgin Mainline Plaza—was completed in 2014. This segment now provides a 6-lane cross section. Widening and reconstruction of the eastern section—between the Elgin Mainline Plaza and I-294—was completed in December 2016. This section now provides an 8-lane cross section. The Jane Addams Memorial Tollway helps to link northwest Indiana and central Wisconsin. It is part of the 3,101-mile-long I-90 route that links the country's east and west coasts.

The southern 53-mile section of the Tri-State Tollway is designated as I-294, while the northern 24-mile section is designated as I-94. The southernmost 5 miles are designated as part of both I-80 and I-294. The Tri-State Tollway, originally intended to provide a circumferential bypass route around the City of Chicago, has evolved into a major commuter travel route serving the suburbs and other communities in northeastern Illinois. The Tri-State Tollway provides access between the northern and southern suburbs of Chicago and to O'Hare. In the southern I-294/I-80 section, where the route runs east-west, the Tri-State Tollway is part of a major cross-country commercial truck route running from New York to San Francisco. The route currently provides an 8-lane cross section along its entire length. The central portion of this route between 95th Street and Balmoral Avenue is currently being reconstructed and widened. Construction work began on this section in July 2018 and is planned for completion in 2026.



ILLINOIS TOLLWAY SERVICE AREA

FIGURE 1

The Reagan Memorial Tollway, designated as I-88 for its entire length, extends from the Tri-State Tollway near the Cook-DuPage county line in the east (15 miles west of downtown Chicago) to the eastern edge of Whiteside County in north central Illinois in the west (near Rock Falls). I-88 has an 8-lane cross section for the eastern 17 miles, from the eastern terminus to IL 59. From IL 59 west to IL 56, I-88 has a 6-lane cross section, and the 70-mile section west of IL 56 has a 4-lane cross section. From the western terminus, I-88 continues west as a free route (west of US Route 30) for an additional 44 miles, terminating at I-80, east of the Davenport-Moline-Rock Island metropolitan area. East of the Tri-State Tollway, the route continues as I-290—the Eisenhower Expressway—providing access to the Chicago central business district.

The Veterans Memorial Tollway, designated as I-355, extends from its northern terminus at Army Trail Road in DuPage County, to its southern terminus at I-80 in Will County. The roadway is primarily a 6-lane configuration throughout, with an 8-lane segment between the Reagan Memorial Tollway and Boughton Road. Developed suburban land characterizes the I-355 corridor, serving communities such as Addison, Bolingbrook, Downers Grove, Glendale Heights, Lombard, and Woodridge. Undeveloped land flanking the original section of the Veterans Memorial Tollway, from Army Trail Road to I-55, is diminishing. The Veterans Memorial Tollway was expanded south from I-55 to I-80 in Will County in 2007.

The IL 390 Tollway is located in the suburban area northwest of Chicago and extends from Lake Street (US 20) at the west end to Busse Road (IL 83) at the east end. Tolling on the western section— between Lake Street (US 20) and Rohlwing Road—began on July 5, 2016. This limited access expressway originally opened in 1993 as the Elgin-O'Hare Expressway. It was widened and became a part of the Illinois Tollway system in 2016. The eastern extension—between Rohlwing Road and IL 83—was completed and opened to traffic on November 1, 2017.

A sixth Tollway facility, the I-490 Tollway, is currently under construction and planned for completion in 2026. This new north-south route will run along the western border of O'Hare International Airport, extending from the Jane Addams Tollway at the north end to the Central Tri-State Tollway at the south end. It will also connect with the eastern terminus of the IL 390 Tollway.

Toll Collection and Rate History

ISTHA collects tolls at 28 mainline plazas and 59 ramp plazas. Six of the mainline plazas and one ramp plaza are associated with IL 390, on which tolling began in July 2016 and November 2017. Toll payments can be made either electronically using the I-PASS system, or with exact change at all plazas excepting the 14 cashless plazas discussed in the following section. Missed tolls can be paid online, free of penalty, within a grace period. In addition, 22 of the mainline plazas and two of the ramp plazas offer plaza attendants for motorists paying cash, requiring change, or requesting receipts. However, attendants are not available 24-hours at all of such plazas.

Electronic Toll Collection

Electronic toll collection (ETC) started on the Illinois Tollway system in 1993 with a small pilot program on part of the Veterans Memorial Tollway. In 1994, electronic tolling expanded to other plazas, and in 1995, I-PASS Only lanes were introduced. In 1998, the Illinois Tollway began installing I-PASS Express lanes that enabled drivers to pay tolls while traveling at higher speeds through the plazas. ORT, which allows I-PASS payment at highway speeds, was introduced on all mainline plazas between 2005 and 2006. With ORT, cash-paying patrons must merge to the right lanes to access cash plazas right of the ORT lanes, and then re-enter the roadway following cash payment. Vehicles using I-PASS pay at highway speeds as they pass under the toll gantry in their current lane.

The first cashless plaza opened on the Reagan Memorial Tollway in 2009. **Table 1** presents the opening year and location for this and all subsequent cashless plazas on the Illinois Tollway.

Table 1: Illinois Tollway Cashless Plazas

Year Opened	Tollway Route	Plaza	Type	Location
2009	Reagan Memorial	60	Ramp	Eola Road
2011	Tri-State	30	Ramp	Balmoral Road
2013	Jane Addams Memorial	6	Ramp	IL 47
2014	Tri-State	42	Ramp	I-57 and 147th Street
2016	Jane Addams Memorial	5A	Ramp	Irene Road
		12A	Ramp	Meacham Road
		12*	Ramp	Roselle Road (EB off ramp)
2016	IL 390	326	Mainline	Plum Grove Road
		328	Mainline	Mitchell Boulevard
		330	Mainline	Lake Street
2017	Jane Addams Memorial	18A	Ramp	Elmhurst Road
		10*	Ramp	Barrington Road (WB on and EB off)
2017	IL 390	320	Mainline	Lively Boulevard
		323	Mainline	Mittel Drive
		324	Mainline	Hamilton Lakes Boulevard
		325	Ramp	Ketter Drive

* *Partial cashless plazas, with combination of cashless and I-PASS/exact change ramps; remaining plazas listed are full cashless plazas.*

Toll Rate Changes

Historical toll rates at typical plazas are illustrated in **Table 2**. While actual rates vary by plaza, most of the rates charged at mainline plazas on the three original routes (Tri-State, Jane Addams

Table 2: Current and Historical Toll Rates on Illinois Tollway Typical Mainline Plazas

Vehicle Class		Previous Rates										Current Rates	
Tier	Description	1959-1963	1964-1970	1971-1983	1983-2004	2005-2011		2012-2014		2015 – 2018(4)		2019(4)	
						Discount	Non-Discount	Discount	Non-Discount	Discount	Non-Discount	Discount	Non-Discount
1	Automobile, motorcycle, single unit truck or tractor, two axles, four or less tires	$0.30	$0.35	$0.30	$0.40	$0.40	$0.80	$0.75	$1.50	$0.75	$1.50	$0.75	$1.50
2	Single unit truck or tractor, buses, two axles, six tires	$0.40	$0.45	$0.30	$0.50	$1.00	$1.50	$1.00	$1.50	$1.40 - $1.65	$2.10 - $2.45	$1.65	$2.50
3	Three axle trucks and buses	$0.50	$0.50	$0.45	$0.75	$1.75	$2.25	$1.75	$2.25	$2.45 - $2.85	$3.15 - $3.65	$2.90	$3.75
3	Trucks with four axles	$0.50	$0.60	$0.60	$1.00	$1.75	$2.25	$1.75	$2.25	$2.45 - $2.85	$3.15 - $3.65	$2.90	$3.75
3	Class 1 vehicle with one axle trailer	$0.50	$0.50	$0.45	$0.60	$1.75	$2.25	$1.75	$2.25	$2.45 - $2.85	$3.15 - $3.65	$2.90	$3.75
3	Class 1 vehicle with 2-axle trailer	$0.50	$0.60	$0.60	$0.80	$1.75	$2.25	$1.75	$2.25	$2.45 - $2.85	$3.15 - $3.65	$2.90	$3.75
4	Trucks with five axles	$0.50	$0.75	$0.75	$1.25	$3.00	$4.00	$3.00	$4.00	$4.20 - $4.90	$5.60 - $6.50	$5.00	$6.65
4	Trucks with six axles	$0.50	$0.90	$0.90	$1.50	$3.00	$4.00	$3.00	$4.00	$4.20 - $4.90	$5.60 - $6.50	$5.00	$6.65
4	Miscellaneous PC special or unusual vehicles not classified above	$0.50	$0.90	$1.00	$1.75	$3.00	$4.00	$3.00	$4.00	$4.20 - $4.90	$5.60 - $6.50	$5.00	$6.65

(1) The toll rates listed above are toll rates for 11 of the 28 mainline plazas on the Tollway System. Toll rates at the other 17 mainline plazas differ by various amounts. A complete listing of toll rates at each Tollway System plaza may be found on the ISTHA's website. No other information from the ISTHA's website is incorporated by reference.

(2) Rate Tier 1 vehicles making payment via I-PASS or most out-of-state transponders are tolled at the discounted rate, and the non-discounted rate applies to cash forms of payment.

(3) CVs (Rate Tiers 2-4) are tolled at a discounted rate during the overnight period of 10 p.m. – 6 a.m. whether paying by I-PASS or cash (the "Overnight Discount Rate"). Prior to January 1, 2009, CVs paying by I-PASS were tolled at the discounted rate for certain off-peak time periods (the "I-PASS Off-Peak Discount Rate"). This I-PASS Off-Peak Discount Rate expired on 12/31/2008. The Overnight Discount Rate continues.

(4) A CV toll rate increase occurred in three phases between 2015 and 2017 and resulted in a total increase of 60.0 percent over 2014 rates. Annual, inflation-based increases began January 1, 2018.

Memorial, Reagan Memorial) are similar. There have been four toll rate changes that applied to all passenger cars (PCs): an average increase of 17 percent in 1963; a decrease of 14 percent in 1970; a 37 percent increase in 1983; and most recently, an 87.5 percent increase in 2012. Additionally, there was a PC increase in 2005 that applied to only cash-paying vehicles. CVs had three rate increases prior to 2015: 50 percent in 1963; 68 percent in 1983; and an average of 216 percent for non-discounted, daytime rates in 2005. Between 2015 and 2017, a three-phase, 60 percent increase was applied to CV rates. Beginning in 2018, all CV rates are adjusted annually at the rate of inflation.[1] Even with the recent rate increases, the Illinois Tollway is still among the lower-priced toll roads in the country on a per-mile basis. **Table 3** lists toll rates for all toll roads in the U.S.

The 2005 toll rate schedule also simplified the former 10 toll-rate classes to four rate tiers; one for PCs and three for CVs. The PC rate tier is the same as the previous Class 1 and includes all 2-axle vehicles with four or fewer tires. A small-CV rate tier, consisting of 2-axle vehicles with six tires, replaces Class 2. The medium-CV rate tier comprises the former Classes 3, 4, 7, and 8 and consists of 3- and 4-axle vehicles, including 2-axle vehicles towing one- and 2-axle trailers. A large-CV rate tier replaces former Classes 5, 6, 9, and 10 and consists of vehicles with five or more axles, including 2-axle vehicles towing 3-axle trailers.

The most recent PC rate increase occurred on January 1, 2012 and raised rates by 87.5 percent. This rate change increased the typical mainline toll from $0.40 to $0.75 for I-PASS customers and from $0.80 to $1.50 for cash customers. The 2015 to 2017 CV rate changes increased the typical mainline toll from $4.00 in 2014 to $6.40 in 2017 for large CVs (Rate Tier 4) and from $1.50 to $2.40, in respective years, for small CVs (Rate Tier 2). As of January 1, 2018, CV rates began to increase annually at the rate of inflation. [1] In 2018 and 2019, CV rates increased 1.84 and 2.25 percent, respectively. CVs have no toll-rate differential between cash and I-PASS payments. CVs do, however, receive a discount for overnight travel and pay a higher toll rate for the Pay Online option on the new IL 390. The overnight discount began in 2005 and ranges from 18.5 to 34.8 percent depending on rate tier and plaza.

Lastly, the Illinois Tollway implemented a change to how video tolls (V-Tolls) are assessed, effective February 1, 2018. A V-Toll occurs when no transponder is read, but the license plate is found upon image review to correspond to an I-PASS account. This may happen for various reasons, including the improper mounting of, or absence of, an I-PASS transponder. Under the revised policy, I-PASS customers that are V-Tolled more than five times in a calendar month on any individual license plate registered to a customer's I-PASS or electronic tolling account will be charged the cash toll rate for the sixth and every subsequent V-Toll incurred that month. The projected revenue impact of the V-Toll rule change has been incorporated into the 2019-2044

[1] Consumer Price Index for all Urban Consumers (CPI-U), or its successor index, over the 12-month period ending on June 30th of the previous year. Source: Illinois Tollway Board Resolution No. 19480, dated August 25, 2011.

Table 3: Toll Rates for U.S. Toll Roads[1]

Toll Agency (State)	$ per mile Passenger Car	$ per mile 5-Axle Truck
Adams Avenue Parkway, Inc (UT)	$1.000	$2.500
Skyway Concession Company (IL)	$0.679	$4.000
Montgomery County Toll Road Authority (TX)	$0.625	$2.500
Globalvia (VA)[2]	$0.489	$0.847
City of Chesapeake (VA)	$0.460	$0.593
Northwest Parkway, LLC (CO)	$0.421	$1.684
Toll Road Investors Partnership II (VA) [3]	$0.404	$1.218
Transportation Corridor Agencies (CA)	$0.381	$1.441
Metropolitan Washington Airports Authority (VA)	$0.354	$0.970
Central Texas Regional Mobility Authority (TX)	$0.307	$1.229
E-470 Public Highway Authority (CO)	$0.305	$1.221
San Diego Association of Governments (CA)	$0.275	$0.550
Orchard Pond Greenway, LLC (FL)	$0.229	$0.915
Fort Bend County Toll Road Authority (TX)	$0.221	$0.883
Richmond Metropolitan Transportation Authority (VA)	$0.206	$0.294
Tampa-Hillsborough County Expressway Authority (FL)	$0.198	$0.792
North East Texas Regional Mobility Authority (TX)	$0.198	$0.791
Harris County Toll Road Authority (TX)	$0.189	$0.880
Connector 2000 Association (SC) [4]	$0.188	$0.625
Texas Department of Transportation (TX)	$0.187	$0.683
North Texas Tollway Authority (TX)	$0.183	$0.733
Delaware Department of Transportation (DE)	$0.183	$0.399
SH 130 Concession Company, LLC (TX)	$0.180	$0.720
North Carolina Turnpike Authority (NC)	$0.171	$0.684
Cameron County Regional Mobility Authority (TX)	$0.169	$0.674
Osceola County (FL)	$0.161	$0.645
Miami-Dade Expressway Authority (FL)	$0.160	$0.321
Central Florida Expressway Authority (FL)	$0.157	$0.380
New Jersey Turnpike Authority (NJ) - New Jersey Turnpike	$0.117	$0.385
Pennsylvania Turnpike Commission (PA)	$0.114	$0.588
South Carolina Department of Transportation (SC)	$0.110	$0.551
Maryland Transportation Authority (MD)	$0.102	$0.698
Mid-Bay Bridge Authority (FL)	$0.100	$0.533
West Virginia Parkways, Economic Development, and Tourism Authority (WV)	$0.089	$0.368
South Jersey Transportation Authority (NJ)	$0.085	$0.341
Florida Turnpike Enterprise (FL)	$0.082	$0.283
Virginia Department of Transportation (VA)	$0.075	$0.150
Indiana Toll Road Concession Company (IN)	$0.071	$0.382
Illinois State Toll Highway Authority (IL)	**$0.067**	**$0.543**
Oklahoma Turnpike Authority (OK)	$0.061	$0.213
Maine Turnpike Authority (ME)	$0.058	$0.233
Ohio Turnpike and Infrastructure Commission (OH)	$0.055	$0.170
Florida Department of Transportation (FL)	$0.049	$0.198
New York State Thruway Authority (NY)	$0.049	$0.258
New Jersey Turnpike Authority (NJ) - Garden State Parkway	$0.048	$0.214
Kansas Turnpike Authority (KS)	$0.047	$0.133
Massachusetts Department of Transportation (MA)	$0.044	$0.167
New Hampshire Department of Transportation (NH)	$0.043	$0.187
National Average	**$0.10**	**$0.42**

[1]Toll rates are for electronic payments at peak hour rates, if applicable. Toll rates are for full-length trips, with the exception of the Garden State Parkway 5-axle truck rates, which reflect only for the part of the facility where 5-axle trucks are allowed. Toll rates are current as of January 2019.

[2] The Pocahontas Parkway is managed by Globalvia

[3] The Dulles Greenway is managed by Toll Road Investors Partnership II

[4] The Southern Connector is managed by Connector 2000 Association

forecast. Based on year-to-date performance, CDM Smith estimates V-Toll revenue in the amount of $12.0 million in 2019. Available trend data indicates a year-over-year decline in eligible V-Toll transactions of approximately 15.0 percent, which CDM Smith has applied to subsequent years through 2024. This decline is estimated to stabilize in 2024, six years from the introduction of the V-Toll policy, holding steady at $5.3 million from 2024 through the life of the forecast.

I-PASS Usage

The percentage of transactions paid with I-PASS has increased over time. The increase has been gradual in most years, with the most notable exception being a sharp increase in late 2004, leading up to the toll-rate increase of January 1, 2005. I-PASS usage increased from 49.8 percent in 2004 to 74.7 percent in 2005.

ISTHA joined the E-ZPass Inter-Agency Group in 2005. Membership in this group allows for sharing of an in-vehicle transponder for toll payment on all member facilities. In this report, the term “I-PASS” when used in the context of toll payments usually means payment via the I-PASS transponder or any other transponder within the E-ZPass Inter-Agency Group.

Between 2005 and 2015, I-PASS usage grew an average of 1.2 percent per year to 86.6 percent. The conversion of all mainline plazas to an ORT configuration in 2006 and introduction of cashless tolling (the first cashless plaza opened in 2009) contributed to this growth rate. The largest year-over-year increase (2.4 percent) occurred in 2012, following the January 2012 PC toll rate increase. Between 2012 and 2015, I-PASS growth slowed to an average of 0.1 percent per year.

Since 2015, growth in I-PASS usage has picked up with the opening of several new cashless ramp plazas, the two-phase opening of the all cashless IL 390 Tollway in July 2016 and November 2017, and the implementation of the new V-Toll policy in February 2018. ETC usage increased to 87.0 percent in 2016, 87.8 percent in 2017, and 90.2 percent in 2018. **Table 4** presents ETC rates by toll agency in 2017, the latest year in which ETC usage is available for all listed facilities. As shown, the Illinois Tollway continues to rank among the top toll agencies in ETC participation. Only one agency had a higher ETC usage rate for 2018—the Metropolitan Transportation Authority in New York.

Table 4: 2018 ETC Usage Rates for U.S. Toll Agencies

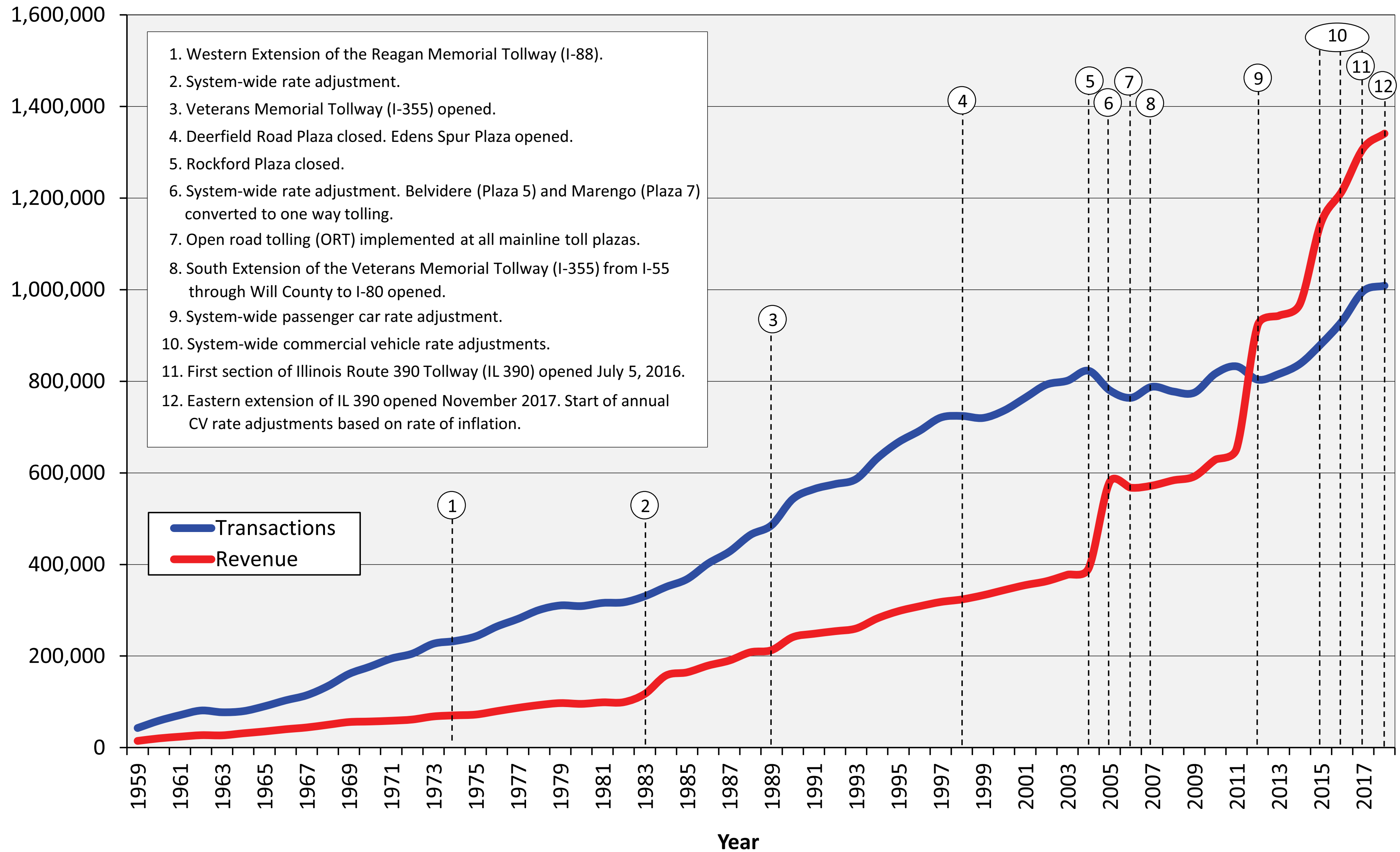
ETC Usage Rank	ETC Usage Rates	Toll Agency Name	Name of ETC System
1	94.4%	Metropolitan Transportation Authority (NY)	E-ZPass
2	90.2%	Illinois Tollway	I-PASS
3	86.8%	Port Authority of New York and New Jersey	E-ZPass
4	86.0%	Massachusetts Department of Transportation	E-ZPass
5	85.9%	New Jersey Turnpike Authority	E-ZPass
6	83.4%	Indiana Toll Road Concession Company	E-ZPass
7	82.8%	Florida's Turnpike	SunPass
8	82.2%	North Texas Tollway Authority	TollTag
9	80.0%	Maryland Transportation Authority	E-ZPass
10	79.7%	Pennsylvania Turnpike Commission	E-ZPass
11	77.1%	New York State Thruway Authority	E-ZPass
12	77.0%	Oklahoma Turnpike Authority	PIKEPASS
13	74.3%	Harris County Toll Road Authority (Houston)	E-Z Tag
14	70.2%	Bay Area Toll Authority	FasTrak
15	62.2%	Ohio Turnpike Commission	E-ZPass

Source for ETC usage: respective toll facilities webpages and ISTHA-IAG Settlement Breakdown Reports

Historical Traffic and Revenue Trends

Figure 2, Table 5, and Table 6 provide the annual transactions and toll revenue on the Illinois Tollway from the first full year of operation in 1959 through 2018. In this report, historical toll revenue is presented on a different basis than projected toll revenue. The projected toll revenue is expected revenue, which is the revenue that would be collected if every vehicle paid the exact published toll based on vehicle class, time of day, and payment type. The historical toll revenue, the source of which is ISTHA's Comprehensive Annual Financial Report (CAFR), is the toll revenue after accounting for overpayments, underpayments, exemptions, and toll avoidance. Historical toll revenue does not include tolls and fines collected through the violation enforcement system; these are reported separately in ISTHA's financial statements as Toll Evasion Recovery.

Over the course of the Illinois Tollway's history, transactions have increased steadily with only a few year-to-year declines. The rate of transaction growth, however, has slowed as the Illinois Tollway's service area has matured. The average annual increase in transactions in the first two decades (1959-1980) was 9.9 percent. Between 1980 and 2010, transaction growth became successively lower in each decade. Since 2010, transaction growth has increased as new capacity has been added to the Tollway, including the widening of the Jane Addams Memorial Tollway and



ILLINOIS TOLLWAY SYSTEM-WIDE
ANNUAL TRANSACTIONS AND TOLL REVENUE (in thousands)

FIGURE 2

Table 5: Illinois Tollway Systemwide Annual Transactions (in thousands)

Year	Passenger Cars	PC AAPC[(1)]	Commercial Vehicles	CV AAPC	Total	Total AAPC
1959	37,884	-	5,050	-	42,934	-
1964	72,721	13.9%	7,005	6.8%	79,726	13.2%
1969	146,476	15.0%	14,488	15.6%	160,964	15.1%
1970	160,916	9.9%	16,187	11.7%	177,103	10.0%
1975	216,180	6.1%	26,914	10.7%	243,094	6.5%
1980	269,106	4.5%	40,183	8.3%	309,289	4.9%
1982	278,508	1.7%	38,993	-1.5%	317,501	1.3%
1983 [(2)]	290,687	4.4%	40,116	2.9%	330,803	4.2%
1985	324,673	5.7%	43,543	4.2%	368,216	5.5%
1989 [(2)]	428,745	7.2%	57,193	7.1%	485,938	7.2%
1990	485,085	13.1%	57,962	1.3%	543,047	11.8%
1995	597,026	4.2%	70,179	3.9%	667,205	4.2%
2000	664,002	2.1%	72,308	0.6%	736,310	2.0%
2001	687,856	3.6%	76,429	5.7%	764,285	3.8%
2002	715,073	4.0%	77,763	1.7%	792,836	3.7%
2003	693,507	-3.0%	108,096	39.0%	801,603	1.1%
2004	714,120	3.0%	109,025	0.9%	823,145	2.7%
2005 [(2)]	695,378	-2.6%	85,068	-22.0%	780,446	-5.2%
2006 [(3)]	678,535	-2.4%	85,590	0.6%	764,125	-2.1%
2007 [(4)]	696,055	2.6%	92,237	7.8%	788,292	3.2%
2008	688,516	-1.1%	89,366	-3.1%	777,882	-1.3%
2009	694,837	0.9%	80,516	-9.9%	775,353	-0.3%
2010	730,797	5.2%	86,285	7.2%	817,082	5.4%
2011	743,195	1.7%	89,633	3.9%	832,828	1.9%
2012 [(5)]	711,680	-4.2%	92,100	2.8%	803,780	-3.5%
2013	720,513	1.2%	95,529	3.7%	816,042	1.5%
2014	737,238	2.3%	101,041	5.8%	838,279	2.7%
2015 [(2)]	777,719	5.5%	103,896	2.8%	881,615	5.2%
2016 [(2)(5)]	823,643	5.9%	108,248	4.2%	931,891	5.7%
2017 [(2)(5)]	883,468	7.3%	113,866	5.2%	997,334	7.0%
2018 [(2)(5)]	889,184	0.6%	119,768	5.2%	1,008,952	1.2%
<u>Growth rates (AAPC)</u>						
1959 - 1980		9.8%		10.4%		9.9%
1980 - 1990		6.1%		3.7%		5.8%
1990 - 2000		3.2%		2.2%		3.1%
2000 – 2010		1.0%		1.8%		1.0%
2010 - 2018		2.5%		4.2%		2.7%

(1) Average Annual Percent Change.
(2) Systemwide passenger car or commercial vehicle rate adjustment.
(3) Open Road Tolling (ORT) implemented at all mainline toll plazas.
(4) Veterans Memorial Tollway (I-355) extension opened.
(5) Portions of IL 390 opened in July 2016 and November 2017.

Table 6: Illinois Tollway Systemwide Annual Revenue (in thousands)[1]

Year	Passenger Cars	PC AAPC	Commercial Vehicles	CV AAPC	Total	Total AAPC
1959	$11,943	-	$2,593	-	$14,536	-
1964	26,284	17.1%	4,888	13.5%	31,172	16.5%
1969	46,872	12.3%	8,803	12.5%	55,675	12.3%
1970	47,565	1.5%	9,343	6.1%	56,908	2.2%
1975	58,784	4.3%	13,277	7.3%	72,061	4.8%
1980	73,248	4.5%	22,204	10.8%	95,452	5.8%
1982	76,004	1.9%	23,148	2.1%	99,152	1.9%
1983 [2]	88,074	15.9%	29,154	25.9%	117,228	18.2%
1985	120,397	16.9%	43,901	22.7%	164,298	18.4%
1989 [2]	155,394	6.6%	57,387	6.9%	212,781	6.7%
1990	183,237	17.9%	57,842	0.8%	241,079	13.3%
1995	227,519	4.4%	70,389	4.0%	297,908	4.3%
2000	268,277	3.4%	75,668	1.5%	343,945	2.9%
2001	276,724	3.1%	78,050	3.1%	354,774	3.1%
2002	276,763	0.0%	86,472	10.8%	363,235	2.4%
2003	275,751	-0.4%	101,703	17.6%	377,454	3.9%
2004	287,218	4.2%	104,368	2.6%	391,586	3.7%
2005 [2]	341,352	18.8%	239,090	129.1%	580,442	48.2%
2006 [3]	324,556	-4.9%	242,943	1.6%	567,499	-2.2%
2007 [4]	321,008	-1.1%	251,085	3.4%	572,093	0.8%
2008	335,653	4.6%	247,994	-1.2%	583,647	2.0%
2009	334,520	-0.3%	257,543	3.9%	592,063	1.4%
2010	348,946	4.3%	279,808	8.6%	628,754	6.2%
2011	354,186	1.5%	298,488	6.7%	652,674	3.8%
2012 [2]	615,957	73.9%	306,433	2.7%	922,390	41.3%
2013	622,349	1.0%	320,803	4.7%	943,152	2.3%
2014	630,556	1.3%	338,416	5.5%	968,972	2.7%
2015 [2]	662,720	5.1%	483,909	43.0%	1,146,629	18.3%
2016 [2] [5]	686,846	3.6%	529,452	9.4%	1,216,298	6.1%
2017 [2] [5]	724,905	5.5%	584,285	10.4%	1,309,190	7.6%
2018 [2] [5]	719,165	-0.8%	621,886	6.4%	1,341,051	2.4%
Growth rates (AAPC)						
1959 - 1980		9.0%		10.8%		9.4%
1980 - 1990		9.6%		10.0%		9.7%
1990 - 2000		3.9%		2.7%		3.6%
2000 - 2010		2.7%		14.0%		6.2%
2010 - 2018		9.5%		10.5%		9.9%

[1] Collected Revenue, preliminary estimate.
[2] Systemwide passenger car or commercial rate adjustment.
[3] Open Road Tolling (ORT) implemented at all mainline toll plazas.
[4] Veterans Memorial Tollway (I-355) extension opened.
[5] Portions of IL 390 opened in July 2016 and November 2017.

addition of the new IL 390 Tollway facility. One exception is the 3.5 percent decrease that occurred in 2012. This decline is primarily attributable to the 2012 PC toll rate increase. In 2018, transactions reached an all-time high totaling 1.01 billion.

Annual toll revenues have generally displayed a growth pattern similar to transactions. However, periodic jumps in revenue have occurred as a result of toll rate increases. Between 1959 and 1980, revenue increased an average of 9.4 percent per year. In the following decade, between 1980 and 1990, average annual revenue growth increased to 9.7 percent per year. Lower growth, 3.6 percent per year, occurred between 1990 and 2000; there were no toll increases during this period. Since 2000, revenue has grown at a faster rate due to multiple toll rate increases: PC (if paying by cash) and CV toll increases in 2005, a PC toll rate increase in 2012, a three-phase CV toll rate increase between 2015 and 2017, and the start of inflation-based CV toll rate increases in 2018. In 2018, toll revenue increased 2.4 percent to a record high of $1.34 billion.

Recent Performance Trends

Systemwide

Between 2014 and 2018, the average annual increase in transactions was 4.7 percent. This growth can be attributed to a continuously improving economy, the opening of the Illinois Route 390 Tollway in 2016, the completion of widening the Jane Addams Memorial Tollway in December 2016, the opening of the IL 390 eastern extension in November 2017, and the opening of several new interchanges on the Jane Addams.

Over the same period, revenues increased at an average annual rate of 8.5 percent. The increase in revenues during this time exceeded that of transactions due to the three-phase CV toll rate increase that was implemented between 2015 and 2017, and the start of annual inflation-based CV toll rate increases in 2018. Despite the toll rate increases, CV transactions grew at an average annual rate of 4.3 percent between 2014 and 2018. This growth attests to the relatively low elasticity of demand demonstrated by Tollway patrons. In comparison, PC transactions grew at an average annual rate of 6.2 percent for that same period.

In 2018, total transactions grew by 1.2 percent over 2017. PC transactions grew by a modest 0.6 percent, while CV transactions grew by 5.2 percent. The lower PC growth can be attributed to several major construction projects that occurred on the Tollway in 2018. CV transactions were not as impacted by construction. The lower impact on CVs is, in part, due to a higher proportion of long-distance trips that diverted to other Tollway routes.

By Facility

Annual revenues by facility are presented in **Table 7**, while recent monthly transactions on the five Illinois Tollway facilities and systemwide are presented in **Table 8 through Table 13**. As illustrated, trends on the different facilities have varied.

Table 7: Illinois Tollway Revenue by Route, 2013-2018 (in thousands)[(1)]

Illinois Tollway Route	2014	2015 % change	2015[(2)]	2016 % change	2016[(3)]	2017 % change	2017[(4)]	2018 % change	2018
Jane Addams Memorial	$178,269	21.3%	$216,173	3.8%	$224,423	15.2%	$258,433	8.7%	$281,027
Tri-State	$435,600	21.5%	$529,177	6.7%	$564,780	5.6%	$596,569	2.4%	$610,922
Reagan Memorial	$165,017	12.8%	$186,111	4.0%	$193,505	2.9%	$199,192	-6.8%	$185,722
Veterans Memorial	$189,126	13.1%	$213,926	3.3%	$220,902	3.6%	$228,873	-0.2%	$228,471
Illinois Route 390					$11,323	118.1%	$24,699	41.3%	$34,909

(1) Collected revenue, preliminary estimate. Does not include oversized/overweight vehicle revenues.
(2) CV toll rates increased by 40.0 percent in 2015.
(3) CV toll rates increased by 7.14 percent in 2016. Tolling on IL 390 began on July 5, 2016.
(4) CV toll rates increased by 6.67 percent in 2017 (total increase of 60.0 percent compared to 2014). Tolling on IL 390 began in July 2016 and tolling on the eastern extension of IL 390 began on November 1, 2017.

The Jane Addams Memorial Tollway has experienced the highest recent growth of the four established Tollway routes. Prior to 2013, growth on this route had slowed due to capacity constraints and the limited ability to absorb new traffic. In 2013, major reconstruction and widening work began further reducing facility capacity and depressing transactions. Widening and reconstruction was completed in December 2016 and was followed by significant transaction growth; an increase of 16.2 percent in 2017 and 6.9 percent in 2018.

The Tri-State Tollway has remained the highest volume route since the Illinois Tollway opened. Though initially intended as a bypass of the Chicago metropolitan area, the Tri-State has since become a commuter route for traffic to and from the city of Chicago, as well as between suburbs. As development around the corridor has matured, traffic volumes have stabilized. In addition to serving as a commuter route, the Tri-State also carries significant CV traffic. The southernmost five miles of I-294 are aligned with I-80, a national truck route. The 163rd Street Toll Plaza, just north of the junction with I-80, has, by far, the highest number of 5-axle truck (Rate Tier 4) transactions on the entire system. In 2018, 5-axle trucks accounted for 17.8 percent of total transactions at the plaza, compared with 8.2 percent of transactions systemwide. Most recently, in 2018 and 2019 year to date, transactions on this route decreased as a result of significant construction impacts, including reconstruction and widening work on the Central Tri-State and reconstruction work on the Eden's Spur.

The Reagan Memorial Tollway had experienced high overall growth prior to 2012, due to a rapidly increasing population in the western suburbs, such as Naperville and Aurora, and employment along the "tech corridor" that flanks I-88. In recent years, that population growth has slowed and construction work on both the Reagan and the parallel Jane Addams Memorial Tollway has contributed to both increases and decreases in traffic on this route. In 2014, commercial vehicle traffic on the Reagan increased significantly due to long-haul trucks diverting from the reconstruction and widening work on the Jane Addams Memorial Tollway. Between 2014 and 2017, that traffic returned to the Jane Addams and various rehabilitation and resurfacing projects further dampened traffic on the Reagan. In 2018, traffic was further depressed by construction related lane closures on a large portion of the western section and major reconstruction work between York Road and I-290.

The Veterans Memorial Tollway is used by many suburb-to-suburb commuters and directly connects four major interstate highways: I-80, I-55, I-88, and I-290. Since the completion of the south extension in 2007, the Veterans Memorial Tollway has added an additional interstate route from I-80 to I-90. This has attracted some long-haul truckers looking to bypass more congested areas of the region. The south extension also connects to areas of Will County that are still being developed. Some of the more recent transaction and revenue growth is a result of development at the south end of the route. Most recently, in 2018, traffic on this route was dampened by major rehabilitation work extending from I-55 to Army Trail Road.

IL 390 began tolling between Lake Street and Rohlwing Road on July 5, 2016, contributing to "year-over-year" new revenues in the second half of 2016 and the first half of 2017. The eastern extension of this route between Rohlwing Road and Busse Highway (IL 83) opened on November 1, 2017, contributing "year-over-year" additional revenue to the system in the last two months of 2017 and the first ten months of 2018.

Table 8: Jane Addams Memorial Tollway Monthly Transactions

Passenger Cars	2014	% change	2015	% change	2016	% change	2017	% change	2018	% change	2019
January	10,570,907	7.9%	11,403,355	-1.3%	11,256,119	10.8%	12,476,424	12.7%	14,054,726	-2.9%	13,643,718
February	10,311,559	2.2%	10,538,582	4.7%	11,036,023	9.7%	12,106,879	5.4%	12,758,466	7.1%	13,660,899
March	12,053,594	3.4%	12,465,438	-0.9%	12,347,381	12.7%	13,916,752	11.1%	15,462,433	4.2%	16,106,528
April	12,255,126	3.8%	12,722,550	-4.2%	12,184,781	15.3%	14,042,999	8.5%	15,229,791	5.1%	16,006,946
May	12,940,246	3.1%	13,344,445	-2.5%	13,010,318	15.4%	15,017,498	10.2%	16,556,743	3.4%	17,127,755
June	12,804,273	3.3%	13,229,481	-0.8%	13,125,023	17.9%	15,479,866	8.3%	16,761,437	3.1%	17,274,100
July	13,464,607	3.7%	13,958,543	-0.3%	13,920,620	15.9%	16,136,909	7.0%	17,266,899	3.3%	17,838,754
August	13,471,674	2.0%	13,744,428	0.0%	13,738,931	19.1%	16,365,919	6.2%	17,387,178	3.9%	18,062,650
September	12,312,830	3.1%	12,699,112	0.7%	12,784,457	21.7%	15,560,403	2.3%	15,923,709		
October	12,750,229	0.8%	12,855,443	0.4%	12,912,226	22.7%	15,843,794	4.2%	16,505,626		
November	11,732,576	-1.1%	11,602,358	6.2%	12,316,287	21.2%	14,922,692	1.3%	15,121,796		
December	12,333,651	-3.6%	11,888,883	4.5%	12,426,321	19.8%	14,889,794	4.5%	15,555,543		
Total	**147,001,272**	**2.3%**	**150,452,618**	**0.4%**	**151,058,487**	**17.0%**	**176,759,929**	**6.7%**	**188,584,347**	**3.4%***	**129,721,350***
Commercial Vehicles	**2014**	**% change**	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**
January	1,427,707	5.4%	1,505,213	-3.3%	1,455,172	9.8%	1,598,186	12.1%	1,790,904	1.5%	1,817,047
February	1,370,775	3.2%	1,415,235	5.1%	1,487,243	3.6%	1,541,048	8.6%	1,673,514	6.7%	1,785,472
March	1,546,543	8.1%	1,671,967	0.4%	1,678,331	8.4%	1,818,549	7.1%	1,947,863	1.8%	1,983,416
April	1,608,098	8.6%	1,746,473	-5.3%	1,654,029	6.3%	1,757,735	11.8%	1,965,026	5.5%	2,073,688
May	1,676,639	4.1%	1,745,120	0.4%	1,752,216	11.6%	1,955,820	12.9%	2,207,658	-0.7%	2,192,611
June	1,658,759	8.6%	1,801,833	2.0%	1,837,525	9.7%	2,016,141	8.4%	2,185,147	-1.9%	2,142,924
July	1,727,653	4.2%	1,799,607	-3.4%	1,738,960	11.2%	1,934,041	13.1%	2,187,418	0.5%	2,198,310
August	1,684,867	6.1%	1,786,881	5.4%	1,882,813	14.8%	2,162,011	5.8%	2,286,925	-1.3%	2,258,120
September	1,668,710	6.0%	1,768,049	0.3%	1,773,834	11.6%	1,979,449	2.3%	2,025,890		
October	1,756,317	5.1%	1,846,250	-2.6%	1,797,443	14.4%	2,056,703	9.3%	2,247,115		
November	1,509,233	5.6%	1,593,096	6.4%	1,694,351	13.0%	1,914,286	4.0%	1,991,333		
December	1,552,257	-0.5%	1,543,965	3.5%	1,598,663	9.1%	1,743,998	3.5%	1,805,701		
Total	**19,187,558**	**5.4%**	**20,223,689**	**0.6%**	**20,350,580**	**10.5%**	**22,477,967**	**8.2%**	**24,314,494**	**1.3%***	**16,451,588***
All Vehicles Total	**166,188,830**	**2.7%**	**170,676,307**	**0.4%**	**171,409,067**	**16.2%**	**199,237,896**	**6.9%**	**212,898,841**	**3.1%***	**146,172,938***

*Year-to-Date

Table 9: Tri-State Tollway Monthly Transactions

Passenger Cars	2014	% change	2015	% change	2016	% change	2017	% change	2018	% change	2019
January	21,502,288	12.2%	24,131,583	7.1%	25,850,490	3.8%	26,829,779	-1.4%	26,445,873	-7.4%	24,477,668
February	21,072,104	5.8%	22,287,995	14.5%	25,518,386	0.6%	25,660,571	-6.4%	24,012,096	2.6%	24,642,656
March	24,960,586	8.1%	26,975,165	8.0%	29,139,069	1.3%	29,518,768	0.4%	29,640,144	-1.0%	29,349,544
April	25,691,316	7.5%	27,613,191	4.5%	28,843,747	1.8%	29,357,889	-0.9%	29,103,116	-1.1%	28,792,026
May	27,844,759	6.2%	29,580,696	5.3%	31,148,360	1.4%	31,580,843	-0.3%	31,498,669	-1.8%	30,945,512
June	27,791,138	8.0%	30,021,033	4.2%	31,286,198	1.5%	31,741,369	-0.7%	31,521,505	-2.1%	30,847,888
July	29,141,603	8.9%	31,738,508	2.3%	32,452,884	-0.9%	32,149,254	-1.1%	31,808,901	0.2%	31,867,888
August	28,866,409	8.2%	31,227,450	2.8%	32,098,490	0.8%	32,344,656	-1.6%	31,811,852	0.4%	31,943,414
September	26,418,897	9.8%	29,002,485	3.7%	30,077,803	0.5%	30,236,194	-3.9%	29,065,787		
October	27,885,294	7.8%	30,065,773	2.8%	30,895,165	-0.5%	30,742,982	-2.2%	30,072,201		
November	25,421,833	7.9%	27,432,293	5.4%	28,916,196	0.1%	28,954,934	-3.8%	27,855,094		
December	26,112,957	6.6%	27,835,222	-0.3%	27,745,597	1.9%	28,276,142	-0.9%	28,018,882		
Total	**312,709,184**	**8.1%**	**337,911,394**	**4.8%**	**353,972,385**	**1.0%**	**357,393,381**	**-1.8%**	**350,854,120**	**-1.3%***	**232,866,596***
Commercial Vehicles	**2014**	**% change**	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**
January	4,018,042	6.5%	4,278,507	0.1%	4,284,468	7.2%	4,593,775	3.7%	4,765,467	1.1%	4,816,897
February	3,865,803	3.6%	4,003,393	9.1%	4,367,974	-0.4%	4,352,285	1.7%	4,427,273	6.7%	4,722,816
March	4,368,731	7.7%	4,706,799	4.5%	4,916,721	3.1%	5,069,695	2.2%	5,179,497	-0.4%	5,158,571
April	4,590,622	4.8%	4,810,234	0.3%	4,826,834	-1.4%	4,757,736	6.2%	5,053,353	3.8%	5,243,711
May	4,778,306	0.6%	4,804,733	4.1%	4,999,967	5.2%	5,260,208	4.9%	5,515,658	-1.1%	5,454,817
June	4,747,039	4.4%	4,957,449	4.4%	5,173,897	1.7%	5,260,653	2.5%	5,393,965	-3.0%	5,229,506
July	4,881,728	2.0%	4,980,603	-2.9%	4,834,998	0.7%	4,868,398	9.2%	5,315,743	1.5%	5,395,006
August	4,795,245	3.1%	4,941,940	7.0%	5,287,876	2.7%	5,432,999	3.9%	5,643,909	-1.8%	5,542,170
September	4,761,653	2.9%	4,897,625	2.3%	5,008,117	-0.2%	4,999,274	1.5%	5,076,658		
October	5,104,024	0.3%	5,117,679	-0.4%	5,094,941	3.8%	5,290,296	7.2%	5,672,566		
November	4,359,200	3.9%	4,530,405	8.3%	4,906,004	2.4%	5,021,594	1.7%	5,107,693		
December	4,479,744	2.5%	4,590,721	2.6%	4,709,813	-0.4%	4,689,855	2.5%	4,804,934		
Total	**54,750,137**	**3.4%**	**56,620,088**	**3.2%**	**58,411,610**	**2.0%**	**59,596,768**	**4.0%**	**61,956,716**	**0.7%***	**41,563,494***
All Vehicles Total	**367,459,321**	**7.4%**	**394,531,482**	**4.5%**	**412,383,995**	**1.1%**	**416,990,149**	**-1.0%**	**412,810,836**	**-1.0%***	**274,430,090***

*Year-to-Date

Table 10: Reagan Memorial Tollway Monthly Transactions

Passenger Cars	2014	% change	2015	% change	2016	% change	2017	% change	2018	% change	2019
January	9,257,750	10.2%	10,198,736	3.7%	10,577,439	1.2%	10,699,824	-0.7%	10,629,055	-10.8%	9,476,281
February	9,069,210	4.2%	9,447,808	11.1%	10,500,003	-1.7%	10,316,301	-6.4%	9,658,524	0.0%	9,661,066
March	10,618,833	5.7%	11,223,444	4.9%	11,770,514	-0.7%	11,689,063	0.5%	11,742,390	-4.3%	11,235,361
April	10,884,232	4.7%	11,391,450	1.1%	11,521,477	0.1%	11,530,580	-2.7%	11,218,142	-1.8%	11,021,426
May	11,736,090	1.7%	11,936,108	2.4%	12,224,933	2.0%	12,466,989	-5.5%	11,776,612	0.0%	11,776,595
June	11,418,111	2.6%	11,719,846	2.2%	11,973,122	2.2%	12,241,570	-6.7%	11,420,535	1.1%	11,550,309
July	11,870,512	3.0%	12,224,204	-1.6%	12,031,863	1.5%	12,206,584	-6.9%	11,366,750	3.6%	11,773,043
August	11,862,329	1.8%	12,075,693	1.3%	12,235,315	2.8%	12,581,687	-8.7%	11,481,027	4.6%	12,014,486
September	11,309,668	3.4%	11,698,731	0.6%	11,766,584	1.3%	11,923,983	-10.2%	10,707,807		
October	11,863,371	2.3%	12,138,528	0.1%	12,151,971	-0.2%	12,124,341	-7.4%	11,227,297		
November	10,726,625	3.8%	11,139,528	3.2%	11,494,308	0.2%	11,512,519	-9.0%	10,479,031		
December	11,121,735	3.1%	11,469,061	-2.7%	11,164,091	2.7%	11,466,114	-4.9%	10,900,038		
Total	**131,738,466**	**3.7%**	**136,663,137**	**2.0%**	**139,411,620**	**1.0%**	**140,759,555**	**-5.8%**	**132,607,208**	**-0.9%***	**88,508,567***
Commercial Vehicles	**2014**	**% change**	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**
January	996,221	-1.0%	986,601	-1.1%	975,386	2.3%	998,161	2.5%	1,023,423	-10.5%	915,600
February	933,484	-2.8%	907,225	10.4%	1,001,623	-6.3%	938,766	1.0%	948,132	-2.8%	921,169
March	1,062,729	1.6%	1,079,518	5.6%	1,139,455	-2.9%	1,106,122	-0.5%	1,100,997	-9.1%	1,000,946
April	1,142,807	-0.5%	1,136,845	-0.9%	1,126,742	-7.4%	1,043,637	-3.2%	1,010,054	4.8%	1,058,366
May	1,208,435	-4.9%	1,148,958	1.2%	1,163,117	1.1%	1,176,438	-7.4%	1,089,582	2.4%	1,115,843
June	1,210,976	-0.6%	1,203,281	1.5%	1,221,222	-1.2%	1,206,819	-12.3%	1,058,497	2.5%	1,084,510
July	1,242,657	-3.5%	1,199,139	-6.3%	1,124,144	-0.3%	1,120,858	-7.2%	1,040,053	9.5%	1,138,591
August	1,249,561	-6.5%	1,168,588	3.4%	1,208,425	3.8%	1,254,768	-13.0%	1,092,252	9.5%	1,196,320
September	1,252,474	-5.7%	1,181,085	-1.3%	1,165,415	-1.8%	1,143,984	-15.5%	966,550		
October	1,328,493	-8.4%	1,216,524	-2.4%	1,187,077	0.3%	1,190,501	-8.2%	1,092,969		
November	1,074,449	-0.2%	1,072,098	5.8%	1,133,948	-2.1%	1,109,783	-12.4%	971,805		
December	1,075,321	-1.4%	1,060,477	-0.8%	1,051,789	-3.1%	1,018,793	-12.1%	895,682		
Total	**13,777,607**	**-3.0%**	**13,360,339**	**1.0%**	**13,498,343**	**-1.4%**	**13,308,630**	**-7.7%**	**12,289,996**	**0.8%***	**8,431,345***
All Vehicles Total	**145,516,073**	**3.1%**	**150,023,476**	**1.9%**	**152,909,963**	**0.8%**	**154,068,185**	**-6.0%**	**144,897,204**	**-0.7%***	**96,939,912***

*Year-to-Date

Table 11: Veterans Memorial Tollway Monthly Transactions

Passenger Cars	2014	% change	2015	% change	2016	% change	2017	% change	2018	% change	2019
January	10,393,775	9.7%	11,401,361	4.0%	11,858,990	1.3%	12,008,874	-0.5%	11,953,048	-12.7%	10,435,100
February	10,149,949	4.0%	10,556,284	11.0%	11,717,476	-1.8%	11,501,276	-5.3%	10,887,468	-1.7%	10,704,629
March	11,778,098	5.1%	12,383,925	5.4%	13,047,276	0.1%	13,053,918	-0.4%	13,003,275	-5.9%	12,238,200
April	12,204,684	3.7%	12,653,483	1.6%	12,856,571	0.5%	12,917,852	-0.5%	12,853,314	-3.4%	12,413,936
May	12,914,243	2.7%	13,261,375	2.4%	13,586,170	2.3%	13,896,221	-2.1%	13,604,903	-2.4%	13,283,313
June	12,733,089	5.1%	13,381,433	1.9%	13,637,079	2.8%	14,013,600	-7.2%	13,005,360	1.3%	13,175,847
July	12,995,869	5.9%	13,765,850	-1.9%	13,500,456	1.8%	13,745,712	-7.9%	12,657,035	5.9%	13,410,000
August	12,944,744	4.3%	13,497,499	1.7%	13,731,750	3.2%	14,172,529	-11.3%	12,566,079	8.7%	13,657,341
September	12,435,426	4.9%	13,050,465	0.0%	13,047,152	2.4%	13,357,826	-13.8%	11,520,516		
October	13,117,534	3.5%	13,576,411	-1.5%	13,368,486	1.4%	13,558,822	-8.6%	12,395,141		
November	11,770,794	4.7%	12,326,061	2.6%	12,646,881	1.3%	12,815,009	-11.8%	11,305,074		
December	12,351,236	3.9%	12,837,718	-2.4%	12,532,704	1.5%	12,724,093	-8.4%	11,659,210		
Total	**145,789,441**	**4.7%**	**152,691,865**	**1.9%**	**155,530,991**	**1.4%**	**157,765,732**	**-6.6%**	**147,410,423**	**-1.2%***	**99,318,366***
Commercial Vehicles	**2014**	**% change**	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**
January	953,582	4.3%	994,841	-0.9%	986,134	5.9%	1,044,770	6.2%	1,109,380	-6.6%	1,036,167
February	885,433	1.4%	897,721	12.4%	1,009,213	-1.8%	990,960	3.0%	1,020,797	1.6%	1,037,079
March	992,940	7.2%	1,064,173	6.1%	1,129,275	2.4%	1,156,540	2.8%	1,189,334	-6.4%	1,112,958
April	1,093,579	4.9%	1,146,660	0.5%	1,152,348	-2.8%	1,119,620	7.0%	1,197,796	2.1%	1,222,540
May	1,177,630	-0.6%	1,170,813	4.3%	1,220,615	5.3%	1,285,820	3.3%	1,328,193	0.9%	1,340,260
June	1,174,911	4.9%	1,232,579	4.3%	1,285,937	3.6%	1,332,168	-4.2%	1,276,431	1.2%	1,292,304
July	1,226,372	2.0%	1,251,252	-4.0%	1,200,774	1.8%	1,222,314	1.2%	1,236,478	10.7%	1,369,140
August	1,198,376	1.8%	1,220,053	6.4%	1,297,983	5.3%	1,366,769	-7.6%	1,262,712	10.5%	1,395,289
September	1,218,043	0.6%	1,225,700	0.4%	1,230,928	0.7%	1,239,958	-8.9%	1,129,484		
October	1,293,566	-1.4%	1,276,046	-2.5%	1,243,963	4.6%	1,301,552	-1.4%	1,283,567		
November	1,051,773	6.6%	1,120,669	6.1%	1,188,772	3.3%	1,227,982	-7.5%	1,135,783		
December	1,059,464	3.0%	1,091,763	1.6%	1,109,663	0.3%	1,113,341	-9.0%	1,012,623		
Total	**13,325,669**	**2.8%**	**13,692,270**	**2.7%**	**14,055,605**	**2.5%**	**14,401,794**	**-1.5%**	**14,182,578**	**1.9%***	**9,805,737***
All Vehicles Total	**159,115,110**	**4.6%**	**166,384,135**	**1.9%**	**169,586,596**	**1.5%**	**172,167,526**	**-6.1%**	**161,593,001**	**-0.9%***	**109,124,1.3***

*Year-to-Date

Table 12: Illinois Route 390 Tollway Monthly Transactions

Passenger Cars	2014	% change	2015	% change	2016	% change	2017	% change	2018	% change	2019
January							3,697,662	44.3%	5,334,952	-0.7%	5,299,901
February							3,445,820	43.0%	4,927,159	7.1%	5,277,101
March							3,873,870	49.8%	5,802,574	1.8%	5,909,190
April							3,816,741	49.0%	5,688,047	5.3%	5,992,284
May							4,154,891	49.2%	6,199,629	3.7%	6,427,578
June							4,185,102	45.7%	6,098,755	3.4%	6,307,688
July					3,598,227	14.1%	4,106,193	47.5%	6,054,937	7.4%	6,500,247
August					4,200,226	4.0%	4,366,231	44.1%	6,292,187	4.8%	6,597,344
September					3,993,977	2.3%	4,087,021	40.5%	5,741,412		
October					4,151,140	0.7%	4,178,727	49.3%	6,238,181		
November					3,895,510	40.0%	5,453,226	4.4%	5,690,700		
December					3,830,159	41.6%	5,424,038	4.3%	5,658,905		
Total					**23,669,239**	**114.6%**	**50,789,522**	**37.3%**	**69,727,438**	**4.1%***	**48,311,333***
Commercial Vehicles	**2014**	**% change**	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**
January							245,887	108.5%	512,712	5.5%	540,942
February							236,239	104.1%	482,090	9.6%	528,211
March							284,565	97.6%	562,366	0.3%	563,952
April							279,995	104.0%	571,063	6.6%	608,950
May							326,084	93.2%	630,037	4.6%	659,260
June							339,024	83.7%	622,620	1.6%	632,765
July					307,149	1.3%	311,155	98.2%	616,846	13.5%	700,132
August					358,380	-0.1%	358,074	82.3%	652,858	10.0%	718,400
September					336,767	-4.0%	323,139	83.4%	592,749		
October					346,105	-4.8%	329,396	104.0%	671,948		
November					314,090	73.5%	544,907	7.4%	585,009		
December					269,477	86.3%	501,993	4.4%	524,028		
Total					**1,931,968**	**111.2%**	**4,080,458**	**72.1%**	**7,024,326**	**6.5%***	**4,952,612***
All Vehicles Total					**25,601,207**	**114.3%**	**54,869,980**	**39.9%**	**76,751,764**	**4.3%***	**53,263,945***

*Year-to-Date

Table 13: Total Illinois Tollway System Monthly Transactions

Passenger Cars	2014	% change	2015	% change	2016	% change	2017	% change	2018	% change	2019
January	51,724,720	10.5%	57,135,035	4.2%	59,543,038	10.4%	65,712,563	4.1%	68,417,654	-7.4%	63,332,668
February	50,602,822	4.4%	52,830,669	11.2%	58,771,888	7.2%	63,030,847	-1.2%	62,243,713	2.7%	63,946,351
March	59,411,111	6.1%	63,047,972	5.2%	66,304,240	8.7%	72,052,371	5.0%	75,650,816	-1.1%	74,838,823
April	61,035,358	5.5%	64,380,674	1.6%	65,406,576	9.6%	71,666,061	3.4%	74,092,410	0.2%	74,226,618
May	65,435,338	4.1%	68,122,624	2.7%	69,969,781	10.2%	77,116,442	3.3%	79,636,556	-0.1%	79,560,753
June	64,746,611	5.6%	68,351,793	2.4%	70,021,422	10.9%	77,661,507	1.5%	78,807,592	0.4%	79,155,832
July	67,472,591	6.2%	71,687,105	5.3%	75,504,050	3.8%	78,344,652	1.0%	79,154,522	2.8%	81,389,932
August	67,145,156	5.1%	70,545,070	7.7%	76,004,712	5.0%	79,831,022	-0.4%	79,538,323	3.4%	82,275,235
September	62,476,821	6.4%	66,450,793	7.9%	71,669,973	4.9%	75,165,427	-2.9%	72,959,231		
October	65,616,428	4.6%	68,636,155	7.1%	73,478,988	4.0%	76,448,666	0.0%	76,438,446		
November	59,651,828	4.8%	62,500,240	10.8%	69,269,182	6.3%	73,658,380	-4.4%	70,451,695		
December	61,919,579	3.4%	64,030,884	5.7%	67,698,872	7.5%	72,780,181	-1.4%	71,792,578		
Total	**737,238,363**	**5.5%**	**777,719,014**	**5.9%**	**823,642,722**	**7.3%**	**883,468,119**	**0.6%**	**889,183,536**	**0.2%***	**598,726,212***
Commercial Vehicles	**2014**	**% change**	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**
January	7,395,552	5.0%	7,765,162	-0.8%	7,701,160	10.1%	8,480,779	8.5%	9,201,886	-0.8%	9,126,653
February	7,055,495	2.4%	7,223,574	8.9%	7,866,053	2.5%	8,059,298	6.1%	8,551,806	5.2%	8,994,747
March	7,970,943	6.9%	8,522,457	4.0%	8,863,782	6.4%	9,435,471	5.8%	9,980,057	-1.6%	9,819,843
April	8,435,106	4.8%	8,840,212	-0.9%	8,759,953	2.3%	8,958,723	9.4%	9,797,292	4.2%	10,207,255
May	8,841,010	0.3%	8,869,624	3.0%	9,135,915	9.5%	10,004,370	7.7%	10,771,128	-0.1%	10,762,791
June	8,791,685	4.6%	9,195,142	3.5%	9,518,581	6.7%	10,154,805	3.8%	10,536,660	-1.5%	10,382,009
July	9,078,410	1.7%	9,230,601	-0.3%	9,206,025	2.7%	9,456,766	9.9%	10,396,538	3.9%	10,801,179
August	8,928,049	2.1%	9,117,462	10.1%	10,035,477	5.4%	10,574,621	3.4%	10,938,656	1.6%	11,110,299
September	8,900,880	1.9%	9,072,459	4.9%	9,515,061	1.8%	9,685,804	1.1%	9,791,331		
October	9,482,400	-0.3%	9,456,499	2.3%	9,669,529	5.2%	10,168,448	7.9%	10,968,165		
November	7,994,655	4.0%	8,316,268	11.1%	9,237,165	6.3%	9,818,552	-0.3%	9,791,623		
December	8,166,786	1.5%	8,286,926	5.5%	8,739,405	3.8%	9,067,980	-0.3%	9,042,968		
Total	**101,040,971**	**2.8%**	**103,896,386**	**4.2%**	**108,248,106**	**5.2%**	**113,865,617**	**5.2%**	**119,768,110**	**1.3%***	**81,204,776***
All Vehicles Total	**838,279,334**	**5.2%**	**881,615,400**	**5.7%**	**931,890,828**	**7.0%**	**997,333,736**	**1.2%**	**1,008,951,646**	**0.3%***	**679,930,988***

*Year-to-Date

Regional Socioeconomic Characteristics

Regional socioeconomic characteristics are a principal driver of travel demand and have a significant impact on the ongoing usage of a toll facility. Population and employment are the two most important variables used in socioeconomic forecasts for transportation planning. From these socioeconomic variables, transportation planners forecast trip origins and destinations, trip distribution (linking origins and estimations), modal choice (auto, train, bus, walk), and trip assignment (specific route taken). The total of all auto trips assigned to Illinois Tollway routes provide the basis for revenue estimation. As such, review of these underlying demographic assumptions is critical. This section provides a summary of historic population and employment data, recent and short-term economic performance, and future socioeconomic forecasts for the Tollway service area.

The Illinois Tollway service area consists of 15 Illinois counties. The Illinois Tollway passes directly through 11 of these counties, while the other four are adjacent to and contribute significant traffic to the system. The 15 counties served by the Tollway are Boone, Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, LaSalle, Lee, McHenry, Ogle, Will, and Winnebago counties. The 11 counties that the Tollway directly passes through are placed into four groups for the purposes of this report: core counties, collar counties, the Rockford Metropolitan Statistical Area (MSA), and rural counties.

Historical Socioeconomic Trends

Cook, DuPage, and Lake counties make up the core Illinois Tollway counties, from which the majority of toll revenue and transactions are generated. Cook and DuPage counties are both mature counties where population growth has leveled off. Lake County is somewhat behind in its development maturity relative to Cook and DuPage counties, yet its growth began flattening between the 2000 and 2010 censuses. The combined population of the core counties increased just 7.3 percent in the period between 1980 and 2010, from 6.35 million to 6.81 million. Due to their already large population bases, these three core counties still account for approximately 31.0 percent of the absolute growth in population among the 15 Illinois counties in the Illinois Tollway service area. Employment growth has occurred at a faster and sustained pace in the core counties, increasing 24.3 percent—from 3.41 to 4.24 million—between 1980 and 2010. This represents two-thirds of all job growth in the 15-county region during this period.

The collar counties include Will, Kane, McHenry, and DeKalb Counties. Growth in the four collar counties was slower during the 1950-1990 period of suburbanization—the period when Cook, DuPage, and Lake counties were growing most rapidly. However, after 1990, growth in these four collar counties accelerated as land available for development diminished in the core counties. Collectively, the collar counties doubled in population between 1980 and 2010—from 0.79 million to 1.61 million persons. This accounted for 56.0 percent of all population growth in the 15-county region. Employment grew at an even faster rate of 120.7 percent during the same period, from 292,040 to 644,484 jobs. The employment-to-population ratio (0.429), however, lags behind the

15-county regional average. The high employment-to-population ratios in DuPage, Lake, and north suburban Cook counties, paired with the low ratios in the collar counties, indicate that many collar-county residents commute to jobs in these core counties.

The Rockford MSA comprises Winnebago and Boone counties. The City of Rockford, located within Winnebago County, was the second largest city in Illinois throughout the 20th century but was overtaken by Aurora in the 2000 census. Winnebago County's population stagnated between 1970 and 1990, reflecting a downturn in the nation's manufacturing base. The county's population did, however, grow by 16.9 percent between 1990 and 2010.

Lee and Ogle counties are located at the western end of the Reagan Memorial Tollway. Both counties are largely rural in character and are expected to remain rural throughout the forecast period. The population of Lee County decreased 5.0 percent between 1970 and 2010 to 36,032. The largest city in Lee County is Dixon, which had a population of 15,733 as of the 2010 Census. The population of Ogle County has grown steadily. Between 1970 and 2010, the population increased from 43,804 to 53,485, equivalent to a 22.1 percent increase. The largest city in Ogle County is Rochelle, which had a population of 9,574 as of the 2010 census.

Recent Economic Activity and Short-Term Economic Projections

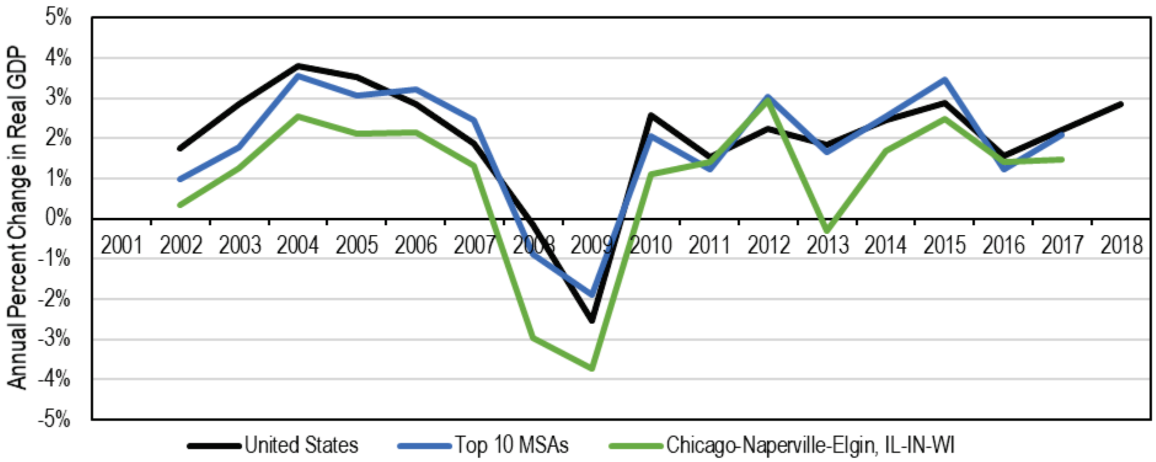
Since the last recession in late 2009, there has generally been positive real GDP and employment growth in the U.S. The growth in both GDP and employment have continued to strengthen in recent years.

Per the Bureau of Labor Statistics (BLS), between 2017 and 2018, the U.S. labor market gained 2.4 million jobs, leading to a reduction in the annual unemployment rate from 4.4 percent in 2017 to 3.9 percent in 2018. National real (inflation-adjusted) GDP grew a healthy 2.9 percent in 2018, the highest since 2005.

Figure 3 illustrates historical changes in real GDP (regionally as Gross Regional Product, or GRP) for the Chicago MSA[2], as compared to the nation as a whole, and a group consisting of the Top 10 MSAs in the U.S. All three categories experienced a GDP downturn during the recession in 2008/2009, followed by a rebound. However, the Chicago MSA exhibited a slight contraction in 2013, later returning to growth levels comparable to, but lower than, the largest MSAs and the nation.

[2] Also called the "Chicago-Naperville-Elgin, IL-IN-WI" region.

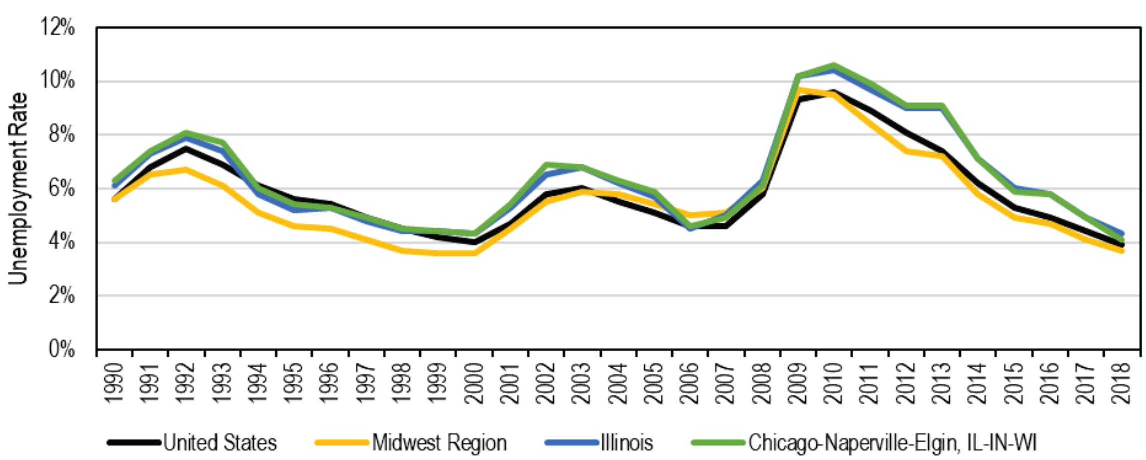
Figure 3: Historical Real GDP Growth



Source: Bureau of Economic Analysis.
*2018 Annual average data is not yet available at the MSA level.

Figure 4 depicts historical trends in unemployment rates for the Chicago MSA, Illinois, the Midwest, and the nation, which shows close parallels across time between the geographies. Chicago's unemployment rate increased significantly during the recession, from 4.9 percent in 2007 to a peak of 10.6 percent in 2010. Since then, the unemployment rate in the Chicago MSA has steadily declined, and dropped to 4.0 percent in 2018. However, the Chicago-area unemployment rate continues remain slightly higher than the Midwest and national rates.

Figure 4: Historical Unemployment Rates



Source: Bureau of Labor Statistics.

As shown in **Table 14**, the national real GDP growth is estimated to average (simple average of all sources) approximately 2.5 percent for 2019, with low and high estimates of 2.0 percent and 3.2

percent, respectively. This 2.5 percent average is lower than the actual 2.9 percent growth rate observed in 2018. In 2020, the average GDP growth rate forecast is projected to decelerate further to 1.9 percent. The 2020 low and high estimates range from 1.6 percent to 3.1 percent. Forecasts from the White House's Office of Management and Budget are an optimistic outlier.

Table 14: National Real GDP Forecasts

Source	Release Date	2019	2020
Office of Management and Budget (OMB)	March 11, 2019	3.2%	3.1%
Organization for Economic Cooperation and Development (OECD)	May 20, 2019	2.8%	2.3%
Wells Fargo Securities Economics Group	August 6, 2019	2.3%	2.3%
National Association for Business Economics (NABE)*	June 2019	2.6%	2.1%
Conference Board	August 14, 2019	2.3%	2.0%
Woods & Poole Economics, Inc.	May 23, 2019	2.1%	1.9%
Congressional Budget Office (CBO)	June 25, 2019	2.7%	1.9%
International Monetary Fund (IMF): World Economic Outlook	July 23, 2019	2.6%	1.9%
Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters	August 9, 2019	2.3%	1.9%
Federal Reserve Bank: Federal Open Market Committee (FOMC)	June 19, 2019	2.1%	1.9%
Energy Information Administration (EIA): Short-Term Energy Outlook	August 6, 2019	2.6%	1.8%
University of Michigan: Research Seminar in Quantitative Economics (RSQE)	May 17, 2019	2.6%	1.8%
PNC Financial Services Group	July 2019	2.6%	1.8%
TD Economics	June 17, 2019	2.6%	1.8%
ScotiaBank Global Economics	July 12, 2019	2.5%	1.8%
Bank of Montreal (BMO) Capital Markets Economics	August 30, 2019	2.3%	1.8%
Wall Street Journal: Economic Forecasting Survey*	August 2019	2.2%	1.8%
World Bank	January 2019	2.5%	1.7%
Royal Bank of Canada (RBC) Economics	June 2019	2.4%	1.7%
Economist Intelligence Unit (EIU): Global Forecasting Service	August 21, 2019	2.2%	1.7%
Moody's Analytics	April 1, 2019	2.4%	1.6%
National Association of Realtors	September 2019	2.0%	1.6%
Average		**2.5%**	**1.9%**

*Average from a Survey of Professional Forecasters.

Table 15 presents forecasts of the national unemployment rate. The labor market is expected to continue its relatively strong recent momentum, with the average unemployment rate forecast of 3.7 percent for both 2019 and 2020. These forecasts are both lower than the 2018 actual unemployment rate of 3.9 percent. There is little variation in the forecasters' estimates of short-term forecast unemployment, with a narrow range between 3.5 to 3.8 percent in 2019 and slightly wider 3.5 to 4.2 percent in 2020.

Table 15: National Unemployment Rate Forecasts

Source	Release Date	2019	2020
University of Michigan: Research Seminar in Quantitative Economics (RSQE)	May 17, 2019	3.6%	3.5%
Wells Fargo Securities Economics Group	August 6, 2019	3.7%	3.5%
Office of Management and Budget (OMB)	March 11, 2019	3.6%	3.6%
Organization for Economic Cooperation and Development (OECD)	May 20, 2019	3.7%	3.6%
Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters	August 9, 2019	3.7%	3.6%
Royal Bank of Canada (RBC) Economics	June 2019	3.7%	3.6%
Moody's Analytics	April 1, 2019	3.8%	3.7%
Federal Reserve Bank: Federal Open Market Committee (FOMC)	June 19, 2019	3.6%	3.7%
Energy Information Administration (EIA): Short-Term Energy Outlook	August 6, 2019	3.6%	3.7%
Bank of Montreal (BMO) Capital Markets Economics	August 30, 2019	3.7%	3.7%
Congressional Budget Office (CBO)	June 25, 2019	3.5%	3.7%
International Monetary Fund (IMF): World Economic Outlook	April 2019	3.8%	3.7%
Wall Street Journal: Economic Forecasting Survey*	August 2019	3.6%	3.8%
PNC Financial Services Group	July 2019	3.7%	3.8%
TD Economics	June 17, 2019	3.7%	3.8%
ScotiaBank Global Economics	July 12, 2019	3.8%	3.9%
National Association of Realtors	September 2019	3.7%	4.2%
Average		**3.7%**	**3.7%**

*Average from a Survey of Professional Forecasters.

Long-Term Population and Employment Forecasts

CMAP, the official regional-forecasting body for the 7-county northeast Illinois region, adopted the comprehensive GO TO 2040 plan with official socioeconomic forecasts on October 13, 2010. In support of the 2013 Comprehensive Report, CDM Smith, in conjunction with independent economist the al Chalabi Group (ACG), verified and refined the CMAP assumptions. The result is presented as ACG's recommended forecasts.

ACG population and employment forecasts for the Illinois Tollway region are based on the analysis of past trends; the comparative, independent regional forecasts; the outlook for development of Illinois counties in the Chicago and Rockford MSAs; and the distribution of regional socioeconomic forecasts to sub-areas (townships) and their aggregation to counties. As previously indicated, the ACG analysis is one of several inputs into the adjustments that CDM Smith ultimately made to the regional travel demand model. **Table 16** presents a summary of a county-level adjusted population forecast in the region, as recommended by ACG. As noted, the population of the 7-county CMAP region is estimated to grow to almost 10.4 million by the year

2040, equating to growth of 0.7 percent per year over 30 years. The combined Chicago and Rockford MSA Illinois Tollway service area is estimated to reach 12.0 million in population by the same year, also with a growth of 0.7 percent per year. **Table 17** presents the estimated employment forecasts by county for the 15-county Illinois Tollway service area. Region-wide employment is estimated to reach 7.5 million by the year 2040, growing at a rate of 1.0 percent per year over 30 years. This is in line with growth over the previous 30 years, though it exceeds growth experienced between 2007 and 2012.

Table 16: ACG-Recommended Population Forecasts by County (thousands)

County Name	Total Population 2010	Total Population 2020	Total Population 2030	Total Population 2040	AAPC 2010-2040
Counties within CMAP Region					
City of Chicago - Cook County	2,695.6	2,850.3	2,885.1	2,908.5	0.3%
Suburban Cook – North	1,062.6	1,098.2	1,112.9	1,118.2	0.2%
Suburban Cook – South	793.9	830.7	869.9	888.7	0.4%
Suburban Cook – West	642.6	665.4	665.8	656.4	0.1%
Cook County - Total	5,194.7	5,444.6	5,533.7	5,571.7	0.2%
DuPage County	916.9	979.9	1,002.5	1,011.4	0.3%
Kane County	515.3	579.1	682.5	803.2	1.5%
Kendall County	114.7	136.4	191.7	245.8	2.6%
Lake County	703.5	780.8	864.6	923.4	0.9%
McHenry County	308.8	342.6	440.4	544.0	1.9%
Will County	677.6	829.8	1,064.3	1,270.0	2.1%
7-County CMAP Region	**8,431.4**	**9,093.2**	**9,779.7**	**10,369.6**	**0.7%**
Counties External to CMAP Region					
Boone County	54.2	65.1	72.1	80.0	1.3%
DeKalb County	105.2	117.9	128.6	133.5	0.8%
Grundy County	50.1	56.9	64.2	71.6	1.2%
Kankakee County	113.4	118.5	132.7	137.5	0.6%
LaSalle County	113.9	113.8	114.4	116.5	0.1%
Lee County(1)	4.1	4.2	4.3	4.6	0.4%
Ogle County(1)	20.7	22.0	23.2	24.3	0.5%
Winnebago County	295.3	314.8	334.6	354.4	0.6%
Sum of above Counties	**9,188.1**	**9,906.5**	**10,653.8**	**11,291.9**	**0.7%**
Chicago MSA	9,461.1	10,273.2	11,041.9	11,699.6	0.7%
Rockford MSA	349.4	379.9	406.7	434.4	0.7%
Combined Chicago & Rockford MSAs	9,810.5	10,653.1	11,448.6	12,134.0	0.7%

Numbers may not add up due to rounding.
(1)Only includes the portions of Lee County and Ogle County that are covered by CMAP in the regional planning model.

Table 17: ACG-Recommended Employment Forecasts by County (thousands)

County Name	Total Employment 2010	Total Employment 2020	Total Employment 2030	Total Employment 2040	AAPC 2010-2040
Counties within CMAP Region					
City of Chicago - Cook County	1,604.9	1,613.2	1,621.5	1,715.0	0.2%
Suburban Cook – North	824.8	864.1	898.1	921.4	0.4%
Suburban Cook – South	334.8	382.6	435.3	468.1	1.1%
Suburban Cook – West	358.3	388.0	416.5	430.4	0.6%
Cook County – Total	3,122.7	3,247.9	3,371.4	3,534.9	0.4%
DuPage County	689.7	771.4	823.6	851.7	0.7%
Kane County	257.3	353.4	434.0	509.6	2.3%
Kendall County	29.8	50.0	70.1	90.2	3.8%
Lake County	428.9	506.1	585.8	638.1	1.3%
McHenry County	134.8	182.9	264.6	321.5	2.9%
Will County	252.3	378.1	540.0	673.0	3.3%
7-County CMAP Region	**4,915.6**	**5,489.8**	**6,089.5**	**6,619.0**	**1.0%**
Counties External to CMAP Region					
Boone County	19.8	22.0	24.2	26.5	1.0%
DeKalb County	52.8	58.5	64.2	70.0	0.9%
Grundy County	21.9	26.7	31.6	36.4	1.7%
Kankakee County	55.2	60.9	66.6	72.3	0.9%
LaSalle County	55.1	57.4	59.7	62.0	0.4%
Lee County(1)	0.8	0.9	1.0	1.0	1.1%
Ogle County(1)	10.0	11.3	12.6	13.4	1.0%
Winnebago County	155.3	168.0	180.7	193.4	0.7%
Sum of above Counties	**5,286.5**	**5,895.5**	**6,530.0**	**7,094.0**	**1.0%**
Chicago MSA	5,418.5	6,040.3	6,687.2	7,257.4	1.0%
Rockford MSA	175.1	190.0	204.8	219.9	0.8%
Combined Chicago & Rockford MSAs	5,593.7	6,230.2	6,892.0	7,477.3	1.0%

Numbers may not add up due to rounding.
(1) Only includes the portions of Lee County and Ogle County that are covered by CMAP in the regional planning model.

Population growth between 2010 and 2020 is anticipated to be distributed throughout all parts of the region. Areas anticipated to experience the greatest growth are those where growth had been high prior to the 2008-2009 recession. These areas include northern Will, southern Cook, DuPage, and Lake counties, as well as those townships immediately west of DuPage, northern Cook, and Lake counties. Growth in population between 2020 and 2030 is anticipated to shift to the townships in collar counties to the north, south, and west of the core Chicago metropolitan area. Northern Cook and DuPage counties also are expected to experience some growth in this period, albeit at a slower pace than in the previous decade. Between 2030 and 2040, population growth is expected to continue to shift outward from the urban core and collar counties. This period also shows significant areas of no change in northern and western Cook and DuPage counties.

Considering the population forecasts, the general picture is that of a central city (Chicago) remaining vibrant and growing but reaching capacity; a southern portion of the region growing to levels previously experienced in the north and west of the metropolitan area; sustained regional growth, driving higher densities at the region's edges; and a maturing inner suburban area.

Employment growth is anticipated throughout the region. Growth is anticipated to be well-distributed with few areas of no employment growth. Stronger employment growth in the collar counties coincides with areas of population growth. Between 2020 and 2030, employment growth between 2020 and 2030 is anticipated to continue at the edges of the core county region, servicing the rapidly developing southwest sector of the region, such as Will County. Between 2030 and 2040, employment growth is anticipated to increase in the urban center with slightly lower growth in the suburban and rural counties. Over the 30-year forecast period between 2010 and 2040, employment in the 7-county CMAP region and 15-county area is estimated to grow by 34.7 and 34.2 percent, respectively. Growth at the county-level ranges from 0.1 to 2.6 percent per year.

Between 2010 and 2018, CMAP conducted several subsequent updates to the GO TO 2040 forecasts in support of the regional air-quality-conformity analysis; these socioeconomic updates have not varied significantly from the October 2010 forecast. Most recently, on October 10, 2018, CMAP adopted the ON TO 2050 comprehensive regional plan, replacing the GO TO 2040 plan. Initial review of the revised population and employment forecasts included in the ON TO 2050 plan suggests some downward revisions in population and employment growth projections when compared to the 2010 forecast.

The release of the ON TO 2050 model provides CDM Smith with the basis for a comprehensive update of our travel demand modeling and revenue forecasting tools. CDM Smith has retained an independent third party to review these forecasts based on review of alternative data sources and internal assessment of corridor-specific growth. Comprehensive model revisions are anticipated to be complete in 2020. CDM Smith will continue to update our current models to reflect the latest travel patterns and regional demand until that time.

Comparison of Long-Term Forecast to Other Sources

Comparing socioeconomic forecasts used for travel demand modeling is important to ensure that forecasts are reasonable, and to identify relative conservatism or optimism between sources. Direct comparison of socioeconomic forecasts can be difficult due to different geographic boundaries and different variable definitions by forecasters. Nonetheless, a broad socioeconomic comparison is contained herein, based on the former Northern Illinois Planning Commission[3] (NIPC) six-county region, consisting of: Cook, DuPage, Kane, Lake, McHenry, and Will counties. These six counties constituted the Chicago MSA, as defined in the 1960s and 1970s, though the definition has since changed to include other surrounding counties in Illinois and adjacent states. The socioeconomic variables compared include: population, employment, gross domestic product (GDP), and unemployment rates.

Figure 5 depicts historical population for the six-county NIPC region, with vintage and recent forecasts from Woods & Poole Economics, Inc.[4] (W&P), NIPC/CMAP, Moody's Analytics, and the Illinois Department of Commerce and Economic Opportunity (DCEO). Also, the recommended population forecasts from ACG are plotted for comparison.

Historical population for the six-county NIPC region, per the U.S. Census, grew from almost 7.0 million in 1970 to over 8.3 million in 2018 for an average annual growth rate of 0.4 percent. However, much of the overall population growth occurred in the 1990s. Regional population growth slowed before and after that decade. In fact, the regional population successively declined in the 4 years since 2014. ACG's recommended population forecast, anchored at 2010, is projected to exceed 10.1 million in 2040 (red line), which falls between the CMAP 2014 and 2018 projections that projected the six-county population to exceed 10.5 and 10.0 million by 2040, respectively.

Both vintage and recent Moody's Analytics and W&P sources contain regional population projections significantly lower than the ACG's recommended forecasts and CMAP's 2014 and 2018 estimates. Specifically, Moody's recent projections are for mostly unchanged population through 2030, followed by serial annual declines through 2048, to 8.2 million. W&P 2019 forecasts slow growth through 2035 (0.2 percent annually, on average) to 8.8 million, and unchanged thereafter through 2050. W&P 2019 downwardly revised from previous years' forecasts due to revisions in underlying fertility and migration assumptions. In contrast to such recently-released slow growth/declining forecasts, the forecasts released by NIPC and DCEO were more optimistic, which were mostly a function of these forecasts being produced during a time of higher growth.

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[3] NIPC, formerly the planning body of record for Northeastern Illinois, was merged with the Chicago Area Transposition Study (CATS) in 2005 to form CMAP. References to NIPC geography and forecasts are historical in nature.

[4] Woods & Poole Economics does not guarantee the accuracy of this data. The use of this data and the conclusions drawn from it are solely the responsibility of CDM Smith.

Figure 5: Six-County NIPC Region Population

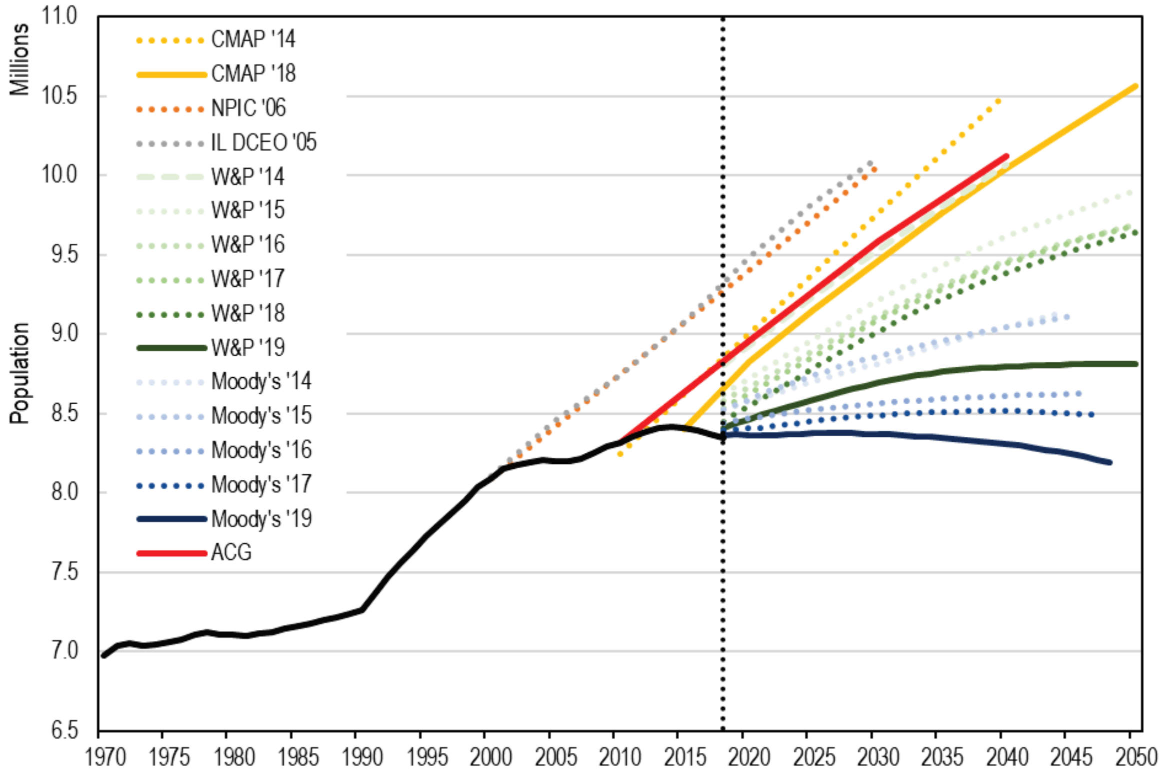
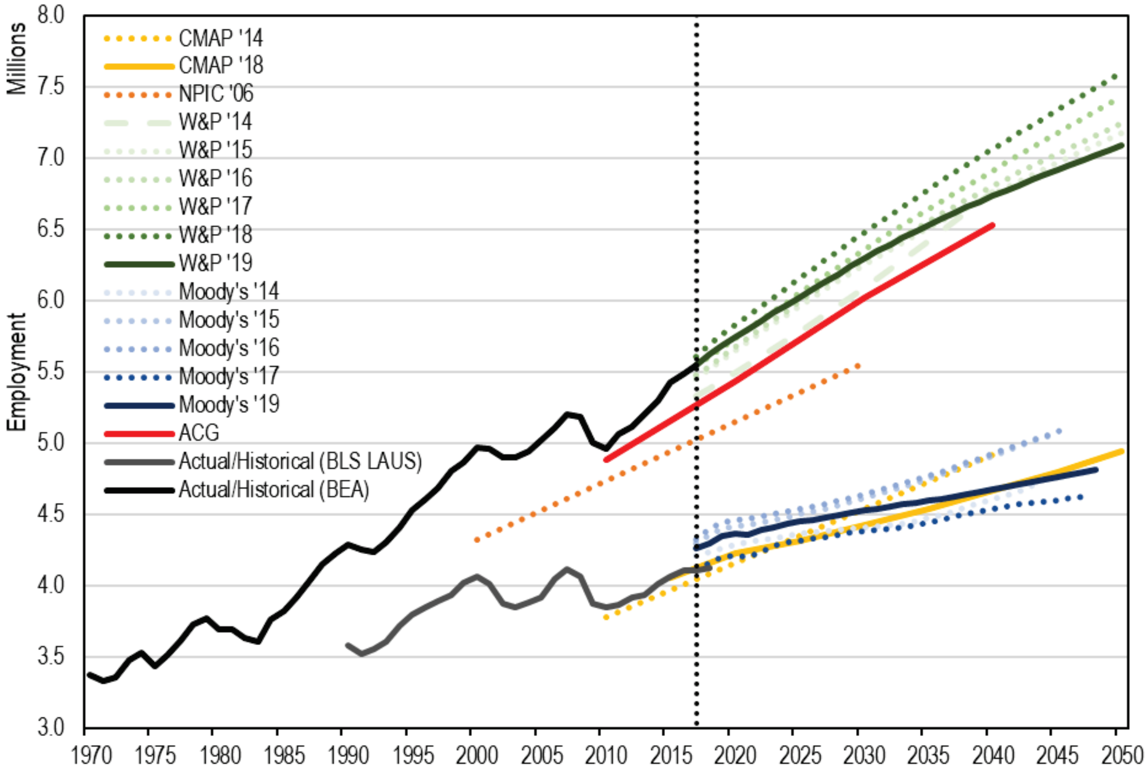


Figure 6 depicts historical employment for the six-county NIPC region, with vintage and recent forecasts from W&P, NIPC/CMAP, and Moody's Analytics, along with the recommended employment forecasts from ACG. Employment definitions vary between datasets, with two overarching conventions: the Bureau of Labor Statistics (BLS) and the Bureau of Economic Analysis (BEA). BLS data are derived from a business establishments survey and are generally less encompassing than BEA, as the data do not include agricultural workers, military, proprietors, household workers, and miscellaneous employment. BEA data represent a more encompassing measure of full-time and part-time workers. Moody's Analytics and the NIPC/CMAP forecasts utilize the BLS definition, whereas the ACG and W&P use the BEA definition.

Per the BEA definition, the historical employment for the six-county NIPC region grew from almost 3.4 million in 1970 to almost 5.6 million in 2017, an average annual growth rate of 1.1 percent. ACG's recommended employment forecast, anchored at 2010, is projected to exceed 6.5 million in 2040 (red line), slightly lower than the W&P vintage and most-recent forecasts, which are downwardly revised from 2018.

Figure 6: Six-County NIPC Region Employment



*CMAP/NIPC and Moody's use the BLS definition of employment datasets – different from the rest of the datasets shown.

Traffic and Revenue Forecast Assumptions

CDM Smith has updated the annual T&R forecasts for the Illinois Tollway system for the years 2019 to 2044 based on the following assumptions related to construction impacts, facility expansion, and toll collection. The assumptions are presented in five sections:

1. Basic Assumptions
2. Planned Transportation Improvements
3. Future Toll Rates
4. Future I-PASS Participation Rates

Basic Assumptions

Traffic and toll revenue estimates for the Illinois Tollway system are based on the following assumptions:

1. Tolls will continue to be collected under the rate structure currently in effect.
2. All new ramp facilities are assumed to use all-ETC technology. This will allow payment via I-PASS or online payment within a grace period.
3. *Move Illinois* will be implemented as scheduled. Major elements of the improvement program are shown with the assumed construction schedule in the Planned Transportation Improvements section of this report.
4. Non-Illinois Tollway regional transportation network improvements will be implemented in accordance with the schedule shown in the Planned Transportation Improvements section of this report. No significant capacity will be added to the competing highway or transit systems beyond those improvements already programmed.
5. Motor fuel will remain in adequate supply and future increases in fuel prices will not substantially exceed the overall rate of inflation over the long term. Average fuel efficiency will not dramatically increase during this period.
6. No local, regional, or national emergency will arise that will restrict the use of motor vehicles.
7. Economic growth and development will occur generally, as presented previously in this report, and as implemented in the Illinois Tollway travel demand models.

Any significant departure from the above basic assumptions could materially affect the estimates for traffic and gross toll revenue on the Illinois Tollway system presented in this report.

Planned Transportation Improvements

Over the next 8 years, under the *Move Illinois* program, two significant improvement projects are planned; the completion of the IL 390 and I-490 Tollways, and the Central Tri-State reconstruction and widening. The construction schedule and anticipated impacts of these two projects on the existing system will be discussed later in the IL 390/I-490 project and Central Tri-State Master Plan sections.

Future construction and expansion projects, planned for the existing system of the Illinois Tollway and assumed to impact transactions and revenues, are shown in **Table 18**. Major expansion projects include the I-490 Tollway; phase 2 of the new I-294/I-57 Interchange Project; the widening and reconstruction of the Central Tri-State; a new I-294 northbound entrance ramp at Archer Avenue; and a new I-294 southbound exit ramp at County Line Road/US 20/IL 64. In addition to expansion projects, several planned construction projects are assumed to impact transactions and revenue. Significant construction impacts are anticipated to continue through the end of 2019 due to reconstruction projects on I-94/I-294 and I-88. Significant construction impacts are also expected to occur between 2020 and 2025 due to rehabilitation work on I-88 and the I-294 reconstruction and widening.

Considering off-system projects, CDM Smith reviewed the long-range transportation plans for the Illinois Department of Transportation (IDOT) and Wisconsin Department of Transportation (WisDOT) to identify which projects will have a likely impact on the Illinois Tollway transactions and revenue. These projects are listed in **Table 19**. CDM Smith also reviewed the upcoming construction schedules for the Cook County Department of Highways and the DuPage County Division of Transportation, as well as those for municipalities surrounding the IL 390/I-490 project. None of the planned county or municipal projects are expected to have a measurable effect on Illinois Tollway traffic demand or revenue.

Table 18: Planned Illinois Tollway Expansion and Construction Projects

Route	Type of Improvement	Project Details	Limits		2019	2020	2021	2022	2023	2024	2025	2026	2027
			From	To									
I-94	Rehabilitation	Resurface existing 3.4 miles pavement	Lake Cook Road	IL 22	△	●							
I-94	Reconstruction	Reconstruct existing 5.4-Mile Edens Spur	-	-	△	△	●						
I-294	Interchange Improvements	159th Street ramp and bridge improvements	-	-	△	●							
I-294	Rehabiliation	Rehab and widen 2 miles pavement	O'Hare Oasis	Balmoral Avenue	△	●							
I-294	Reconstruction	Reconstruct BNSF Bridge over Tollway	-	-	△	△	△	●					
I-294	Bridge Rehabilitation	Archer Avenue Bridge	-	-		△	△	●					
I-294	Interchange construction	SB I-294 to NB I-57, SB I-57 to NB I-294	-	-				●					
I-294	Interchange construction	SB I-57 to SB I-294, NB I-294 to NB I-57	-	-				●					
I-294	Reconstruction	Reconstruct and widen Mile-Long Bridge	La Grange Rd	75th Street	△	△	△	△	●				
I-294	Rehabiliation	Rehab and widen 1.5 miles pavement	Wolf Road	O'Hare Oasis		△	△	△	●				
I-294	Reconstruction	Reconstruct and widen 2.5 miles pavement	North Avenue	Wolf Road			△	△	△	●			
I-294	Reconstruction	Reconstruct and widen 1.5 miles pavement	St. Charles Rd	North Avenue			△	△	△	●			
I-294	Interchange construction	SB exit ramp to County Line Rd/US-20/IL-64	-	-						●			
I-294	Reconstruction	Reconstruct existing 2.5 miles pavement	75th Street	I-55				△	△	●			
I-294	Reconstruction	Reconstruct existing 3.5 miles pavement	95th St	La Grange Rd				△	△	△	●		
I-294	Reconstruction	Reconstruct existing 2 miles pavement	Ogden Ave	Cermak Mainline				△	△	△	△	●	
I-294	Reconstruction	Reconstruct existing 2 miles pavement	I-55	Ogden Ave		△	△	△	△	△	△	●	
I-294	Interchange construction	NB entrance ramp from Archer Avenue										●	
I-294	Reconstruction	Reconstruct existing 3 miles pavement	Cermak Mainline	St. Charles Rd				△	△	△	△	△	●

△ Construction with Significant Impacts Assumed
● Opening Year

Table 18: Planned Illinois Tollway Expansion and Construction Projects (continued)

Route	Type of Improvement	Project Details	Limits		2019	2020	2021	2022	2023	2024	2025	2026	2027
			From	To									
I-90	Interchange construction	WB entrance to I-90 from Roselle Rd via Central Rd	-	-	●								
I-90	Interchange construction	Full interchage at I-90 and IL 23	-	-		●							
I-88	Patchwork	Patchwork on existing 4 miles of pavement	IL 56	Aurora Mainline	△	●							
I-88	Interchange Improvements	Improvements to ramps at IL 56	-	-	△	●							
I-88	Reconstruction	Reconstruct existing 1.5 miles pavement	York Rd	I-290	△	●							
I-88	Reconstruction	Reconstruct existing East-West Connector	I-88	I-294	△	●							
I-88	Interchange construction	WB exit ramp and EB entrance ramp with I-88 at IL 47	-	-	△	●							
I-88	Rehabilitation	Rehabilitate existing 5.5 miles pavement	Aurora Plaza	IL-59		△	△	●					
I-88	Bridge Rehabilitation	Deerpath Road Brider	-	-			△	●					
I-88	Bridge Rehabilitation	Windsor Bridge over East-West Connector Ramps	-	-			△	●					
I-355	Rehabiliation and Widening	Rehab and add lane to 2 miles pavement	Roosevelt Rd	Butterfield Rd	△	●							
IL 390/ I-490	New Tollway Construction	New EB highway and SB exit to IL 19	IL 83	IL 19					●				
IL 390	New Tollway Construction	Western Access Ramps between IL 390 and O'Hare Airport	-	-						●			
I-490	New Tollway Construction	I-490 between Franklin Avenue and I-294	Franklin Ave	I-294						●			
I-490	New Tollway Construction	I-490 North Extension	IL 390	I-90						●			
IL 390/ I-490	New Tollway Construction	New WB highway including NB entrance ramp from IL 19	IL 19	IL 83								●	
I-490	New Tollway Construction	I-490 South Extension	IL 19	Franklin Ave								●	
I-490	New Tollway Construction	I-490 Taft Avenue Bridge	-	-								●	
				△	Construction with Significant Impacts Assumed				●	Opening Year			

Table 19: Significant Non-Illinois Tollway Capacity Improvement Projects

State	Opening Year	Route	Project
Illinois	2021	IL 56	Add lanes between IL 53 and I-355.
	2023	I-90/I-94/I-290	Jane Byrne interchange reconstruction.
	2025	I-55	Convert the inside shoulders to managed lanes between I-355 and I-90/94.
Wisconsin	2022	I-39/90	Add one lane both directions from Madison to Illinois state line.
	2022	I-94	Add one lane both directions from Kenosha-Racine County Line to Milwaukee.

Central Tri-State Master Plan

The 22.3-mile Central Tri-State between 95th Street and Balmoral Avenue is scheduled for reconstruction and capacity enhancements. All eight existing lanes will be reconstructed with capacity enhancements throughout the corridor. Project benefits will include:

- Improving ride quality and traffic flow by replacing 50+ year-old pavement.
- Better accommodating current and future traffic demand with the addition of a flex lane.
- Improving operations at the I-290 interchange.
- Adding lanes in congested sections.
- Reducing mainline congestion at I-55 with improvements.
- Reducing annual maintenance costs.
- Upgrading to current standards and operational requirements.

Reconstruction and widening of the Tri-State is scheduled to occur in several phases between 2018 and 2026. The construction schedule assumptions are presented by location of work in **Table 18**. These assumptions are made in recognition that the current Master Plan focuses primarily on the design and mobility elements of the Central Tri-State. High-level, generalized project approach, phasing, and maintenance of traffic (MOT) are all addressed to some degree. Our understanding, however, is that individual project components are conceptual in nature and subject to change. Until more detailed phasing and MOT plans are available, CDM Smith will assume that the most restrictive MOT scenario will be applied to the full term of construction.

IL 390/I-490 Project

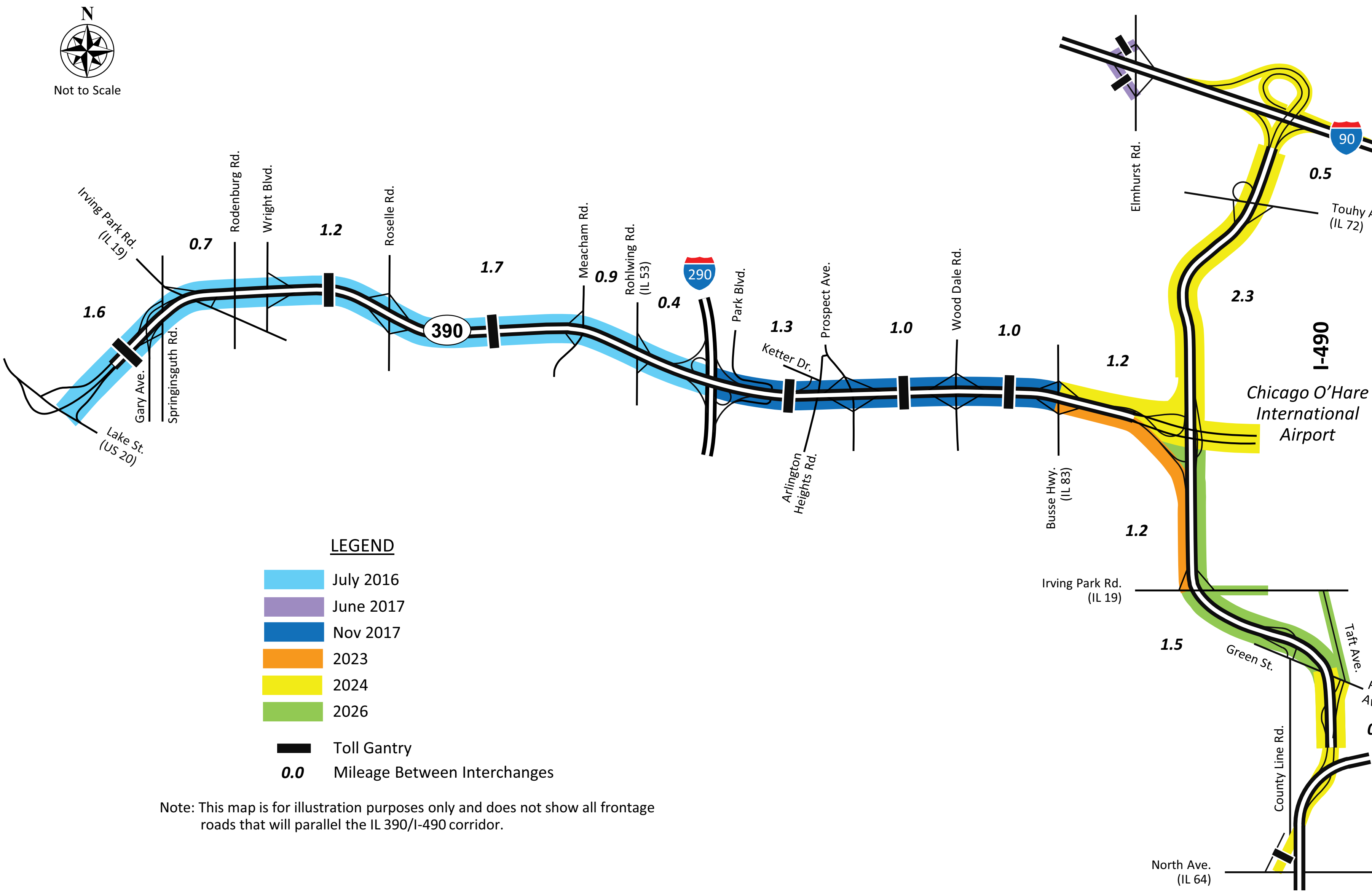
The new IL 390 and I-490 Tollways are assumed to be constructed in several phases with completion of the final phase in 2026, as shown in **Table 18**. The construction schedule is also presented in **Figure 7**, a schematic diagram of the facility that is color-coded to reflect the assumed opening year of each segment. The overall project also includes the following non-contiguous projects, also shown in **Figure 7**:

1. Ramps on the Jane Addams Memorial Tollway (I-90) at the Elmhurst Road interchange to and from the west; opened in June 2017.
2. An exit ramp from the southbound Tri-State Tollway (I-294) to North Avenue/County Line Road; assumed to open in January 2024.
3. The Taft Avenue Bridge (over the Bensenville Railroad Yard) between Irving Park Road (IL 19) and Franklin Avenue; assumed to open by January 2026.

The IL 390/I-490 project is a cashless toll facility with payment to be made via I-PASS or compatible E-ZPass transponder. No direct cash payments are accepted. Instead, toll gantries are located over the roadway, mounted with ETC equipment. Customers with unpaid tolls may pay online or by mail with a grace period.

PC I-PASS discount rates on IL 390 and the future I-490 are assumed to be set at levels resulting in a through-trip rate of approximately $0.20 per mile. Non-I-PASS PC rates are double the I-PASS PC discount rate, consistent with existing Tollway policy.

CV I-PASS discount rates on IL 390 were initially set at levels which resulted in through-trip per-mile rates similar to those on the I-355 South Extension. The non-I-PASS Pay Online rate for CV transactions is set to be 50 percent higher than the applicable I-PASS CV discount rate. The intent of the higher toll rate for non-I- PASS transactions is to offset the added expense of non-I-PASS toll collection and to encourage transponder adoption. CDM Smith estimates that 90 percent of CVs pay with I-PASS on IL 390. This same rate is assumed for all future-year forecasts on IL 390 and I-490. Future-year CV forecasts for IL 390 and I-490 also assume the CV annual inflation-based increases that began in 2018 and are forecasted as 2.0% increases in the future.



Note: This map is for illustration purposes only and does not show all frontage roads that will parallel the IL 390/I-490 corridor.

IL 390 and I-490 ACCESS ASSUMED OPENING YEARS

FIGURE 7

Future Toll Rates

No additional PC toll rate increases are currently scheduled. In 2018, the toll rates for CVs—Rate Tiers 2, 3, and 4—began being increased annually at the rate of inflation.[5] Actual CV rates increased by 1.84 percent in 2018 and 2.25 percent in 2019 and will increase by 2.07 percent in 2020. For the purposes of this study, CDM Smith assumes CV toll rates will increase 2.0 percent per year between 2021 and 2044 and will take effect annually on January 1. All future CV toll rates are assumed to be rounded to the nearest multiple of $0.05.

Future I-PASS Participation Rates

For this study, CDM Smith has assumed that the PC I-PASS participation rates on the Illinois Tollway will change as shown in **Table 19**. Between 2019 and 2020, PC I-PASS usage is anticipated to increase slightly to 89.5 percent. Between 2020 and 2026, the I-PASS rate is expected to increase gradually to 89.8 percent. It is then expected to remain at that rate through 2044.

Table 20: Passenger Car (PC) I-PASS Rate Assumptions

Year	Systemwide I-PASS Participation
2019	89.4%
2020-2022	89.5%
2023	89.6%
2024-2025	89.7%
2026-2044	89.8%

Because CVs have no toll-rate differential between cash and I-PASS on the Jane Addams, Tri-State, Reagan Memorial, and Veterans Memorial routes, the I-PASS participation rate has no bearing on CV revenues for these routes. Therefore, no assumptions have been made about future CV I-PASS payment rates for these routes. CVs do have a toll-rate differential between Pay Online and I-PASS on IL 390. CDM Smith has assumed that the CV I-PASS rate on IL 390 and I-490 will remain at the estimated 2018 rate of 93.5 percent for all future-year forecasts.

Systemwide Traffic and Revenue

CDM Smith updated the annual T&R forecasts for the existing Illinois Tollway system for the years 2019 to 2044. These forecasts are derived using CDM Smith's toll travel demand analysis methodology and are based on the long-term population and employment forecasts described previously. The estimates are presented as "expected revenue," or revenue that would be collected if each vehicle passing through a toll plaza paid exactly the published toll rate based on the vehicle's classification, time of day, and toll payment method. It does not include revenue impacts

[5] Consumer Price Index for all Urban Consumers (CPI-U), or its successor index, over the 12-month period ending on June 30th of the previous year. Source: Illinois Tollway Board Resolution No. 18516, dated November 20, 2008.

resulting from overpayment, underpayment, toll equipment malfunctions, or toll evasion, nor has any analysis of these toll revenue variance factors been included in this report.

Tables 21 through 26 show projected annual toll transactions and revenue for the entire system and for each Illinois Tollway facility between 2019 and 2044. Each table provides transactions and revenue by PCs and CVs separately, as well as the total transactions and revenue. Transactions and revenue are shown as annual totals, in thousands.

On a systemwide basis, annual toll transactions are expected to increase from approximately 1.0 billion in 2019 to approximately 1.4 billion in 2044. This represents a growth of 38.5 percent over the 25-year period, or an average annual growth rate of 1.3 percent. Expected toll revenue is estimated to increase from $1.5 billion in 2019 to $2.5 billion in 2044, which represents an average annual growth rate of 2.3 percent.

Figure 8 illustrates forecasted transactions and revenue from 2019 to 2044. Revenues are expected to rise 4.0 percent between 2019 and 2020 with the completion of major construction on the Veterans Memorial Tollway, northern Tri-State Tollway, and western Reagan Memorial Tollway. Between 2020 and 2023, average annual revenue growth is estimated at 2.8 percent. Growth in these years is boosted by the completion of major construction work on the Edens Spur in 2021, as well as the opening of the eastbound portion of the IL 390/I-490 extension between IL 83 and Irving Park Road in 2023. Growth in these years is also expected to be dampened by reconstruction and widening work on the Central Tri-State. The largest year-over-year growth is expected to occur in 2024 with the opening of the north I-490 segment between IL 390 and I-90 and the completion of widening and reconstruction work on the Central Tri-State between Balmoral Avenue and St. Charles Road. Revenue is expected to increase by 4.2 percent in that year. Between 2024 and 2027, revenue is expected to grow at an average annual rate of 3.5 percent as portions of the I-490 Tollway and the Central Tri-State widening project open to traffic.

The share of revenue collected from CVs is forecast to increase over time due to annual inflation-based toll rate adjustments. CV revenues are expected to exceed PC revenues by 2027. Recent toll rate increases—the 2005 CV-rate increase, the 2012 PC-rate increase, and the 2015 to 2017 CV-rate increases—demonstrate that Illinois Tollway users have a relatively low sensitivity to toll-rate increases. The year-over-year declines in transactions following these toll rate increases, if any, were minor and short-lived. One potential risk to the CV revenue forecast is if annual rate adjustments fall significantly below the assumed annual rate increase of 2.0 percent beyond 2020.

Table 21: 2019-2044 Total Illinois Tollway System Transactions and Revenue (in thousands, revenue shown in nominal $)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle(1)	Total Transactions	Passenger Car	Commercial Vehicle(1)	Total Revenue
2019	897,651	121,532	1,019,184	768,710	688,425	1,457,135
2020(2)	934,246	123,096	1,057,341	801,380	714,411	1,515,790
2021(3)	956,232	125,961	1,082,193	820,642	740,288	1,560,930
2022(4)	977,196	128,396	1,105,592	835,749	769,900	1,605,649
2023(5)	996,770	130,258	1,127,028	850,757	795,477	1,646,234
2024(6)	1,045,373	135,418	1,180,791	882,424	832,320	1,714,744
2025(7)	1,069,015	138,337	1,207,352	900,728	866,686	1,767,414
2026(8)	1,107,425	146,007	1,253,432	921,516	911,459	1,832,975
2027(9)	1,139,111	150,773	1,289,884	944,926	954,614	1,899,540
2028	1,152,759	152,956	1,305,715	956,489	988,748	1,945,237
2029	1,160,261	154,438	1,314,699	962,983	1,019,576	1,982,558
2030	1,165,359	155,492	1,320,851	967,050	1,046,599	2,013,648
2031	1,170,451	156,627	1,327,077	971,112	1,075,045	2,046,157
2032	1,178,732	158,202	1,336,934	977,815	1,109,231	2,087,046
2033	1,180,662	158,933	1,339,595	979,268	1,135,871	2,115,139
2034	1,185,817	160,106	1,345,923	983,387	1,168,316	2,151,703
2035	1,190,958	161,280	1,352,238	987,500	1,198,933	2,186,434
2036	1,199,401	162,678	1,362,079	994,332	1,234,239	2,228,571
2037	1,201,323	163,195	1,364,518	995,784	1,262,711	2,258,496
2038	1,206,568	164,168	1,370,736	999,973	1,294,743	2,294,716
2039	1,211,826	165,105	1,376,932	1,004,173	1,327,897	2,332,070
2040	1,220,451	166,440	1,386,891	1,011,147	1,366,194	2,377,342
2041	1,222,365	166,863	1,389,228	1,012,603	1,396,376	2,408,980
2042	1,227,642	167,748	1,395,390	1,016,658	1,431,682	2,448,340
2043	1,232,947	168,640	1,401,587	1,021,077	1,469,354	2,490,431
2044	1,241,674	170,003	1,411,677	1,028,140	1,510,769	2,538,909

NOTE: All forecast revenues are “expected revenues.” Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

(1) CV rates are linked to inflation and are increased on an annual basis. CV rates increased by 2.25 percent in 2019 and will increase by 2.07 percent in 2020. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2020.

(2) In 2020, widening on I-355, reconstruction on eastern I-88 and the east-west connector ramps, and rehabilitation on I-94 are assumed to be completed. Also, in 2020, a new interchange on I-90 at IL 23 and new ramps on I-88 at IL 47 are assumed to open with tolling.

(3) In 2021, reconstruction of the Edens Spur is assumed to be completed.

(4) In 2022, the final phase of the I-294/I-57 interchange project is assumed to be open and tolling. Also, rehabilitation on I-88 west of IL 59 is assumed to be completed.

(5) In 2023, the IL 390/I-490 eastbound portion of the extension between IL 83 and Irving Park Road is assumed to be open and tolling. Also, the reconstruction and widening of the Mile-Long Bridge is assumed to be completed in the summer of 2023.

(6) In 2024, the I-490 connection between Franklin Avenue and I-294 and the I-490 north extension between IL 390 and I-90 are assumed to be open and tolling. Also, the new southbound exit ramp from I-294 to County Line Road/North Avenue is assumed to be open and tolling and widening work on the Central Tri-State between St. Charles Road and Balmoral Avenue is assumed to be completed.

(7) In 2025, reconstruction and widening on the Central Tri-State between 95th Street and La Grange Road is assumed to be completed.

(8) In 2026, the new I-490 Tollway is assumed to be completed. Also, reconstruction and widening work on the Central Tri-State between the Mile-Long Bridge and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Ave.

(9) In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be open.

Table 22: 2019-2044 Jane Addams Memorial Tollway (I-90) Transactions and Revenue (in thousands, revenue shown in nominal $)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle[1]	Total Transactions	Passenger Car	Commercial Vehicle[1]	Total Revenue
2019	194,769	24,613	219,382	154,612	151,791	306,403
2020[2]	198,789	25,121	223,909	157,518	158,088	315,606
2021	200,753	25,513	226,266	158,382	162,185	320,567
2022	204,444	25,846	230,289	161,260	167,507	328,767
2023	208,320	26,221	234,541	164,167	172,817	336,984
2024[3]	215,375	26,039	241,414	168,707	175,913	344,620
2025[4]	218,792	26,319	245,111	171,348	181,141	352,488
2026[5]	223,020	27,647	250,667	174,197	190,852	365,049
2027[6]	225,439	27,923	253,362	176,046	196,498	372,544
2028	228,620	28,292	256,911	178,509	202,968	381,478
2029	230,585	28,509	259,095	180,029	208,532	388,562
2030	231,973	28,776	260,749	181,013	214,564	395,577
2031	233,440	29,064	262,504	182,069	220,813	402,882
2032	235,542	29,435	264,977	183,622	228,323	411,945
2033	236,379	29,650	266,028	184,189	234,283	418,472
2034	237,856	29,948	267,804	185,255	241,327	426,582
2035	239,323	30,234	269,557	186,316	248,310	434,626
2036	241,463	30,568	272,031	187,895	256,002	443,897
2037	242,294	30,738	273,032	188,460	262,460	450,920
2038	243,803	30,994	274,798	189,547	269,820	459,367
2039	245,319	31,232	276,550	190,638	277,008	467,646
2040	247,522	31,572	279,094	192,259	285,638	477,898
2041	248,376	31,741	280,116	192,837	292,644	485,481
2042	249,917	31,998	281,915	193,772	300,866	494,639
2043	251,469	32,259	283,729	195,058	309,196	504,254
2044	253,727	32,612	286,339	196,714	319,212	515,926

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

(1) CV rates are linked to inflation and are increased on an annual basis. CV rates increased by 2.25 percent in 2019 and 2.07 percent in 2020. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2020.

(2) In 2020, a new interchange on I-90 at IL 23 is assumed to open with tolling.

(3) In 2024, the I-490 north extension, between IL 390 and I-90, is assumed to be open and tolling.

(4) In 2025, reconstruction and widening on the Central Tri-State between St. Charles Road and Balmoral Avenue is assumed to be completed.

(5) In 2026, the new I-490 Tollway is assumed to be completed.

(6) In 2027, the final piece of reconstruction and widening work on the Central Tri-State (between the Cermak Mainline Plaza and St. Charles Road) is assumed to be open.

Table 23: 2019-2044 Tri-State Tollway (I-94/I-294) Transactions and Revenue (in thousands, revenue shown in nominal $)

	Transactions			Revenue		
Year	Passenger Car	Commercial Vehicle(1)	Total Transactions	Passenger Car	Commercial Vehicle(1)	Total Revenue
2019	346,336	61,849	408,185	308,181	347,366	655,546
2020(2)	350,367	60,707	411,074	312,307	348,693	661,000
2021(3)	365,115	62,215	427,330	326,275	361,564	687,839
2022(4)	372,964	62,975	435,939	330,985	372,810	703,795
2023(5)	378,266	63,538	441,804	335,972	383,670	719,642
2024(6)	391,896	65,505	457,400	347,708	403,811	751,519
2025(7)	401,218	67,360	468,578	355,966	424,946	780,912
2026(8)	406,919	69,373	476,292	359,319	444,302	803,621
2027(9)	425,565	72,584	498,150	374,467	472,955	847,422
2028	429,836	73,506	503,342	378,297	489,122	867,419
2029	431,826	74,118	505,944	380,128	503,882	884,010
2030	433,357	74,557	507,914	381,470	516,492	897,962
2031	434,803	74,983	509,786	382,744	529,724	912,468
2032	437,404	75,614	513,018	385,034	545,987	931,021
2033	437,678	75,845	513,524	385,281	558,149	943,430
2034	439,140	76,283	515,423	386,568	573,612	960,180
2035	440,576	76,742	517,319	387,837	587,678	975,515
2036	443,230	77,319	520,549	390,172	604,527	994,699
2037	443,467	77,474	520,942	390,390	618,252	1,008,642
2038	444,932	77,845	522,777	391,682	633,139	1,024,821
2039	446,390	78,216	524,606	392,970	649,226	1,042,195
2040	449,078	78,759	527,837	395,335	667,443	1,062,778
2041	449,317	78,872	528,189	395,556	681,725	1,077,281
2042	450,789	79,202	529,991	396,856	698,035	1,094,891
2043	452,266	79,534	531,800	398,160	716,173	1,114,333
2044	454,991	80,086	535,077	400,558	735,268	1,135,826

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

(1) CV rates are linked to inflation and are increased on an annual basis. CV rates increased by 2.25 percent in 2019 and 2.07 percent in 2020. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2020.

(2) In 2020, rehabilitation and widening on I-355, reconstruction on eastern I-88 and the east-west connector ramps, and rehabilitation on I-94 are assumed to be completed.

(3) In 2021, reconstruction of the Edens Spur is assumed to be completed.

(4) In 2022, the final phase of the I-294/I-57 interchange project is assumed to be open and tolling.

(5) In 2023, the reconstruction and widening of the Mile-Long Bridge is assumed to be completed during the summer.

(6) In 2024, the I-490 connection between Franklin Avenue and I-294 and the I-490 north extension between IL 390 and I-90 are assumed to be open and tolling. Also, the new southbound exit ramp from I-294 to County Line Road/North Avenue is assumed to be open and tolling and widening work on the Central Tri-State between St. Charles Road and Balmoral Avenue is assumed to be completed.

(7) In 2025, reconstruction and widening on the Central Tri-State between 95th Street and La Grange Road is assumed to be completed.

(8) In 2026, the new I-490 Tollway is assumed to be completed. Also, reconstruction and widening work on the Central Tri-State between the Mile-Long Bridge and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Ave.

(9) In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be open.

Table 24: 2019-2044 Reagan Memorial Tollway (I-88) Transactions and Revenue (in thousands, revenue shown in nominal $)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle(1)	Total Transactions	Passenger Car	Commercial Vehicle(1)	Total Revenue
2019	133,500	12,763	146,263	115,675	90,596	206,271
2020(2)	144,396	13,682	158,077	125,397	99,726	225,123
2021(3)	144,758	14,048	158,806	125,336	103,857	229,193
2022	149,180	14,830	164,010	128,785	111,257	240,041
2023	149,891	15,138	165,028	129,352	115,621	244,973
2024	151,680	15,546	167,226	130,827	121,054	251,881
2025	152,655	15,880	168,535	131,772	126,063	257,835
2026(4)	156,365	16,502	172,867	135,034	133,048	268,082
2027(5)	157,596	16,836	174,433	136,153	138,490	274,644
2028	159,308	17,243	176,551	137,687	144,712	282,399
2029	160,161	17,590	177,751	138,485	150,521	289,005
2030	160,661	17,743	178,404	138,889	154,858	293,747
2031	161,165	17,899	179,064	139,296	159,350	298,646
2032	162,114	18,106	180,220	140,085	164,656	304,741
2033	162,181	18,215	180,397	140,116	168,860	308,976
2034	162,695	18,377	181,071	140,530	173,931	314,461
2035	163,210	18,529	181,739	140,945	178,716	319,661
2036	164,178	18,699	182,878	141,749	183,972	325,721
2037	164,253	18,769	183,022	141,785	188,113	329,898
2038	164,779	18,891	183,670	142,208	192,960	335,168
2039	165,309	19,003	184,311	142,634	197,804	340,438
2040	166,293	19,174	185,467	143,450	203,469	346,918
2041	166,309	19,236	185,544	143,451	208,058	351,509
2042	166,781	19,351	186,132	143,843	213,343	357,186
2043	167,255	19,467	186,722	144,237	219,048	363,285
2044	168,191	19,638	187,830	145,027	225,047	370,074

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

(1) CV rates are linked to inflation and are increased on an annual basis. CV rates increased by 2.25 percent in 2019 and 2.07 percent in 2020. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2020.

(2) In 2020, reconstruction on eastern I-88 and the east-west connector ramps is assumed to be completed. Also, in 2020, new ramps on I-88 at IL 47 are assumed to open with tolling.

(3) In 2022, rehabilitation on I-88 west of IL 59 is assumed to be completed.

(7) In 2025, reconstruction and widening on the Central Tri-State between 95th Street and La Grange Road is assumed to be completed.

(4) In 2026, the new I-490 Tollway is assumed to be completed. Also, reconstruction and widening work on the Central Tri-State between the Mile-Long Bridge and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Ave.

(5) In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be open.

Table 25: 2019-2044 Veterans Memorial Tollway (I-355) Transactions and Revenue (in thousands, revenue shown in nominal $)

	Transactions			Revenue		
Year	Passenger Car	Commercial Vehicle(1)	Total Transactions	Passenger Car	Commercial Vehicle(1)	Total Revenue
2019	150,565	14,828	165,393	161,411	88,683	250,095
2020(2)	166,381	15,931	182,312	176,669	97,625	274,294
2021	169,536	16,351	185,886	180,493	102,115	282,608
2022	173,018	16,755	189,773	184,078	107,335	291,413
2023	176,579	17,100	193,679	187,791	111,737	299,528
2024	179,293	17,061	196,354	190,434	114,141	304,575
2025	182,196	17,097	199,292	193,316	115,839	309,155
2026(3)	182,496	16,500	198,996	193,574	114,099	307,673
2027(4)	183,443	16,073	199,516	194,463	113,449	307,912
2028	186,081	16,325	202,405	197,382	117,634	315,016
2029	187,720	16,490	204,210	199,252	121,417	320,669
2030	188,591	16,605	205,196	200,223	124,663	324,885
2031	189,471	16,724	206,195	201,205	127,937	329,142
2032	190,885	16,892	207,777	202,752	132,016	334,768
2033	191,251	16,968	208,219	203,192	135,148	338,340
2034	192,147	17,091	209,238	204,194	138,965	343,158
2035	193,055	17,214	210,269	205,210	142,602	347,813
2036	194,492	17,337	211,830	206,787	146,629	353,416
2037	194,874	17,367	212,241	207,247	149,834	357,081
2038	195,791	17,445	213,236	208,276	153,404	361,679
2039	196,713	17,523	214,236	209,310	157,057	366,366
2040	198,187	17,643	215,830	210,931	161,417	372,347
2041	198,583	17,666	216,250	211,410	164,755	376,165
2042	199,526	17,738	217,264	212,469	168,875	381,343
2043	200,473	17,811	218,284	213,533	173,059	386,592
2044	201,977	17,932	219,909	215,189	177,666	392,856

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

(1) CV rates are linked to inflation and are increased on an annual basis. CV rates increased by 2.25 percent in 2019 and 2.07 percent in 2020. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2020.

(2) In 2020, rehabilitation and widening on I-355 is assumed to be completed.

(3) In 2026, the new I-490 Tollway is assumed to be completed.

(4) In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be open.

Table 26: 2019-2044 IL 390 Tollway and I-490 Tollway Transactions and Revenue (in thousands, revenue shown in nominal $)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle(1)	Total Transactions	Passenger Car	Commercial Vehicle(1)	Total Revenue
2019	72,481	7,479	79,961	28,831	9,989	38,820
2020	74,314	7,655	81,969	29,489	10,278	39,767
2021	76,071	7,834	83,905	30,359	10,567	40,926
2022(2)	77,590	7,991	85,580	30,946	10,992	41,938
2023	83,714	8,262	91,976	33,891	11,632	45,523
2024(3)	107,129	11,267	118,396	45,357	17,402	62,759
2025	114,154	11,682	125,836	48,962	18,697	67,659
2026(4)	138,626	15,985	154,611	60,137	29,157	89,295
2027(5)	147,067	17,356	164,424	64,565	33,222	97,787
2028	148,915	17,590	166,505	65,382	34,312	99,694
2029	149,969	17,730	167,699	65,858	35,224	101,082
2030	150,778	17,811	168,588	66,225	36,022	102,247
2031	151,571	17,957	169,528	66,568	37,222	103,790
2032	152,786	18,155	170,942	67,094	38,249	105,342
2033	153,172	18,256	171,428	67,262	39,430	106,693
2034	153,980	18,407	172,387	67,613	40,482	108,094
2035	154,793	18,560	173,353	67,965	41,627	109,592
2036	156,038	18,754	174,792	68,503	43,110	111,613
2037	156,435	18,847	175,281	68,677	44,052	112,729
2038	157,263	18,992	176,255	69,036	45,420	114,456
2039	158,097	19,132	177,228	69,398	46,803	116,201
2040	159,371	19,292	178,663	69,949	48,228	118,177
2041	159,779	19,348	179,128	70,128	49,194	119,322
2042	160,629	19,458	180,087	70,497	50,563	121,060
2043	161,483	19,569	181,052	70,868	51,878	122,746
2044	162,788	19,734	182,523	71,436	53,576	125,012

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

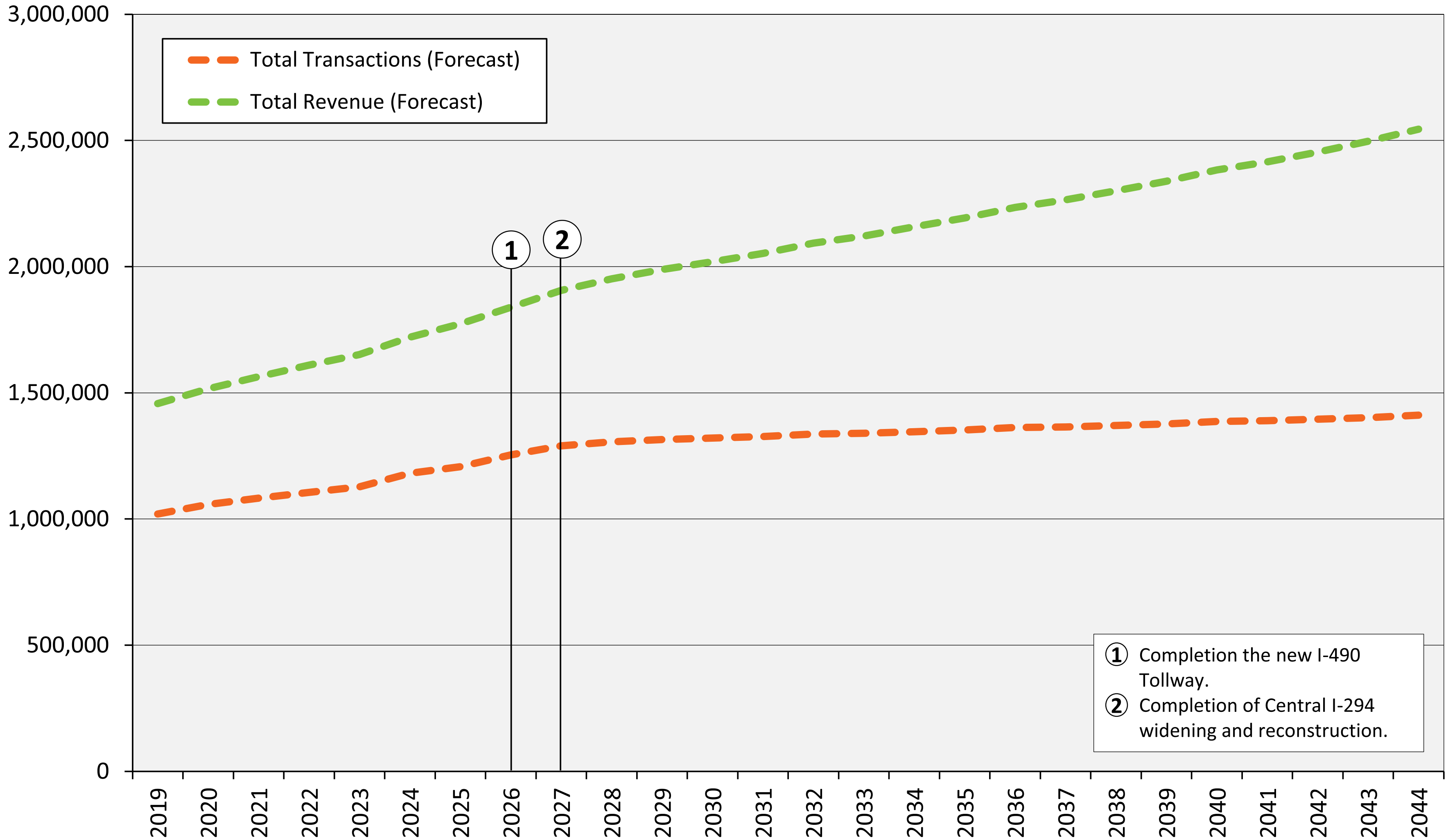
(1) CV rates are linked to inflation and are increased on an annual basis. CV rates increased by 2.25 percent in 2019 and 2.07 percent in 2020. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2020.

(5) In 2023, the IL 390/I-490 eastbound portion of the extension between IL 83 and Irving Park Road is assumed to be open and tolling.

(6) In 2024, the I-490 connection between Franklin Avenue and I-294 and the I-490 north extension between IL 390 and I-90 are assumed to be open and tolling.

(4) In 2026, the new I-490 Tollway is assumed to be completed.

(5) In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be open.



CDM Smith

PROJECTED ANNUAL TOTAL TRANSACTION AND REVENUE, 2019-2044
(In Thousands, Revenue Shown in Nominal Dollars)

FIGURE 8

CDM Smith will continue to monitor economic activity, traffic growth, and the impacts of construction on the Illinois Tollway as they relate to traffic and gross expected toll revenue forecasts. We trust the information herein meets your needs. Please let us know if you have questions or need additional assistance.

Sincerely,

CDM Smith Inc.

J Hart

Jonathon D. Hart, AICP

Senior Project Manager

Disclaimer

CDM Smith used currently-accepted professional practices and procedures in the development of the traffic and revenue estimates in this report. However, as with any forecast, it should be understood that differences between forecasted and actual results may occur, as caused by events and circumstances beyond the control of the forecasters. In formulating the estimates, CDM Smith reasonably relied upon the accuracy and completeness of information provided (both written and oral) by the Illinois State Toll Highway Authority (ISTHA) and its consultants. CDM Smith also relied upon the reasonable assurances of independent parties and is not aware of any material facts that would make such information misleading.

CDM Smith made qualitative judgments related to several key variables in the development and analysis of the traffic and revenue estimates that must be considered as a whole; therefore, selecting portions of any individual result without consideration of the intent of the whole may create a misleading or incomplete view of the results and the underlying methodologies used to obtain the results. CDM Smith gives no opinion as to the value or merit of partial information extracted from this report.

All estimates and projections reported herein are based on CDM Smith's experience and judgment and on a review of information obtained from multiple agencies, including the Illinois Department of Transportation and the Chicago Metropolitan Agency for Planning. These estimates and projections may not be indicative of actual or future values and are therefore subject to substantial uncertainty. Future developments, economic conditions, and impacts related to advances in automotive technology cannot be predicted with certainty, and may affect the estimates or projections expressed in this report, such that CDM Smith does not specifically guarantee or warrant any estimate or projection contained within this report.

While CDM Smith believes that the projections and other forward-looking statements contained within the report are based on reasonable assumptions as of the date of the report, such forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results predicted. Therefore, following the date of this report, CDM Smith will take no responsibility or assume any obligation to advise of changes that may affect its assumptions contained within the report, as they pertain to socioeconomic and demographic forecasts, proposed residential or commercial land use development projects and/or potential improvements to the regional transportation network.

CDM Smith is not, and has not been, a municipal advisor as defined in Federal law (the Dodd-Frank Act) to the ISTHA and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to ISTHA with respect to the information and material contained in this report. CDM Smith is not recommending and has not recommended any action to ISTHA. ISTHA should discuss the information and material contained in this report with any and all internal and external advisors that it deems appropriate before acting on this information.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summary of certain provisions of the Indenture is qualified in its entirety by reference to the Indenture.

<u>Definitions</u>

"*Act*" means the Toll Highway Act of the State of Illinois, 605 ILCS 10/1 *et seq*., as amended.

"*Additional Bonds*" means Additional Senior Bonds and any Junior Bonds issued pursuant to the terms of the Indenture.

"*Additional Senior Bonds*" means any Bond or Bonds originally issued as Senior Bonds after March 31, 1999, the date certain provisions of the Amendatory Supplemental Indenture became effective, which includes the 2019B Bonds.

"*Aggregate Debt Service*" means, for any Fiscal Year and as of any date of calculation, the sum of the amounts of Debt Service for such Fiscal Year with respect to all Series of Senior Bonds.

"*Amendatory Supplemental Indenture*" means the 1996 Amendatory Supplemental Indenture dated as of September 1, 1996, between the Authority and the Trustee.

"*Authorized Denominations*" means $5,000 and any integral multiple thereof.

"*Authorized Officer*" means any director, officer or employee of the Authority authorized to perform specific acts or duties by a resolution duly adopted by the Authority.

"*Bond*" or "*Bonds*" means any bond or bonds, including Senior Bonds and Junior Bonds, authenticated and delivered under and pursuant to the Indenture, other than Subordinated Indebtedness.

"*Bondholder*," or "*Holder*," means any person who shall be the bearer of any coupon Bond or Bonds or the registered owner of any registered Bond or Bonds without coupons.

"*Business Day*" means any day which is not a Sunday or legal holiday or a day (including Saturday) on which banking institutions in the city where the principal corporate trust office of any Fiduciary is located are authorized by law or executive order to close (and such Fiduciary is in fact closed).

"*Capital Appreciation Bond*" means a Bond accruing interest that is compounded and added to Principal as of such date or dates specified in the related Supplemental Indenture and is payable at maturity. Any Capital Appreciation Bond may mature on any date specified in the related Supplemental Indenture.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated and proposed pursuant to it.

"*Construction Fund*" means the Construction Fund established pursuant to the Indenture for the purpose of paying costs of any Project.

"*Consulting Engineers*" means an engineer or engineering firm or corporation at the time retained by the Authority pursuant to the Indenture to perform the acts and carry out the duties provided for such Consulting Engineers in the Indenture.

"*Costs of Construction*" means with respect to any Project the cost of construction, acquisition, installation, reconstruction, modification, preservation, replacement, repairs, renewals or enhancement, including, without limitation, bridges over or under existing highways and railroads, the cost of acquisition of all land, rights of way, property, rights, easements and interests, acquired by the Authority for such construction, acquisition, installation, reconstruction, modification, preservation, replacement, repairs, renewals or enhancement, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of diverting highways, interchange of highways, access to roads to private property, including the cost of lands or easements, the cost of all machinery and equipment, financing charges, interest prior to and during work or construction and for up to two years after completion of the work or construction, the cost of traffic estimates and of engineering and legal expenses, plans, specifications, surveys, estimates of cost and revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing any Project, administrative expenses and such other costs, expenses and funding as may be necessary or incident to the Project, the financing of such construction or work and the placing of such Project in operation.

"*Costs of Credit Enhancement*" means any fees of, or termination payments to, any Provider of Credit Enhancement; *provided*, that with respect to any Credit Enhancement executed and delivered or becoming effective on or after the effective date of the amendment to the Indenture establishing the Termination Payment Account (June 22, 2005), "Costs of Credit Enhancement" shall not include termination payments required to be made in connection with any such Credit Enhancement.

"*Costs of Hedge Agreement*" means any fees of, or termination payments to, any Provider of a Hedge Agreement; *provided*, that with respect to any Qualified Hedge Agreement executed and delivered or becoming effective on or after the effective date of the amendment to the Indenture establishing the Termination Payment Account (June 22, 2005), "Costs of Hedge Agreement" shall not include termination payments required to be made in connection with any such Qualified Hedge Agreement.

"*Credit Enhancement*" means any arrangement to provide additional security or liquidity for Bonds including, without limitation, surety bonds, bond insurance, letters of credit, lines of credit and purchase and remarketing agreements, but does not include Reserve Account Credit Facilities.

"*Current Funds*" means moneys that are immediately available in the hands of the payee at the place of payment.

"*Debt Reserve Account*" means the Debt Reserve Account established in the Indenture.

"*Debt Reserve Requirement*" means, as of any date of calculation, the maximum annual Aggregate Debt Service for any Fiscal Year for all Senior Bonds.

"*Debt Service*" means, for any period longer than one month, as of any date of calculation, an amount equal to the sum of Principal Installments and interest on Senior Bonds payable (or for the payment for which amounts are required to be deposited in the Debt Service Account) during such period, except to the extent that such interest is to be paid from Bond proceeds deposited to the credit of the Debt Service Account. Interest and Principal Installment amounts payable shall be calculated, for purposes of this definition, on the assumption that Senior Bonds Outstanding at the date of calculation will cease to be Outstanding by reason, but only by reason, of the payment of each Principal Installment on its due date. Interest and Principal Installments payable on January 1 of any Fiscal Year shall be deemed to be payable on December 31 of the preceding year. For purposes of applying this definition with respect to the calculations required by the Authority's toll covenants and calculating the Debt Reserve Requirement, the amount of interest to be payable on Senior Bonds having variable interest rates shall be computed by assuming that the rate of interest with respect to Senior Bonds, interest on which is excludable from gross income of the Holders for federal income tax purposes, is a rate equal to the lesser of (i) the 30 Year Bond Buyer Revenue Bond Index as of the date of calculation, or (ii) the maximum interest rate on such Senior Bonds, and with respect to any Senior Bonds having a variable interest rate the interest on which is not excludable from "gross income" of the Holders for federal income tax purposes, a rate equal to the lesser of (i) 115% of the 30 Year Bond Buyer Revenue Bond Index as of the date of calculation or (ii) the maximum interest rate on such Senior Bonds, including in each case taking into account any Qualified Hedge Agreement as provided in the Indenture; for purposes of the Debt Reserve Requirement this calculation shall be made as of a date selected by the Authority within thirty (30) days preceding the date of issuance of each Series of Bonds for which such calculation is required. However, the rate for any such Series of Senior Bonds for which the variable interest rate is fixed for any portion of the applicable Fiscal Year shall be assumed to be the actual rate borne by such Senior Bonds. For purposes of applying this definition with respect to the calculations required under the Indenture relating to the tests for the issuance of Additional Senior Bonds, the amount of interest payable on Senior Bonds having variable interest rates shall be computed at the maximum rate or amount for those Bonds, taking into account any Qualified Hedge Agreement. If a Series of Senior Bonds having variable interest rates is subject to purchase by the Authority pursuant to a mandatory or optional tender by the Holder, the "tender" date or dates shall be ignored and the stated Principal Installment dates of such Senior Bonds shall be used for purposes of calculating the Debt Service with respect to such Senior Bonds. If two Series of Senior Bonds having variable interest rates are issued simultaneously with inverse variable interest rates providing a composite fixed interest rate for such Senior Bonds taken at any time as a whole, such composite fixed rate shall be used in determining the Debt Service with respect to such Senior Bonds. Debt Service on Senior Bonds with respect to which there is a Qualified Hedge Agreement shall be calculated consistent with the provisions of the Indenture, as described in **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Hedging Transactions."** Debt Service shall include Costs of Credit Enhancement, Costs of Hedge Agreements and reimbursements to Providers of Credit Enhancement and Qualified Hedge Agreements, in each case to be paid as provided in a Supplemental Indenture from the Debt Service Account.

"*Debt Service Account*" means the Debt Service Account established in the Indenture.

"*Defeasance Securities*" means any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"*Depositary*" means any bank, national banking association or trust company having capital stock, surplus and retained earnings aggregating at least $8,000,000, or a savings or savings and loan institution having assets aggregating at least $65,000,000, selected by the Treasurer (and with respect to Funds, Accounts and Sub-Accounts held by the Trustee, with the consent of the Treasurer, which consent shall not be unreasonably withheld) as a depositary of moneys and securities held under the provisions of the Indenture, and may include the Trustee.

"*Eighteenth Supplemental Indenture*" means the Eighteenth Supplemental Indenture securing the 2014B Bonds, dated as of June 1, 2014, between the Authority and the Trustee.

"*Eighth Supplemental Indenture*" means the Eighth Supplemental Indenture securing the 2006 Bonds, dated as of June 1, 2006, between the Authority and the Trustee.

"*Eleventh Supplemental Indenture*" means the Eleventh Supplemental Indenture securing the 2008B Bonds, dated as of November 1, 2008, between the Authority and the Trustee.

"*Event of Default*" means any event described in APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default."

"*Federal Securities*" means (i) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, (ii) any Municipal Bonds which are fully secured as to principal and interest by an irrevocable pledge of moneys or direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Municipal Bonds, (iii) certificates of ownership of the principal of or interest on direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank that is a member of the Federal Reserve System and (iv) interest obligations of the Resolution Funding Corporation, including, without limitation, interest obligations stripped by the Federal Reserve Bank of New York.

"*Fiduciary*" or "*Fiduciaries*" means the Trustee, the Registrar and the Paying Agents, or any or all of them, as may be appropriate.

"*Fifteenth Supplemental Indenture*" means the Fifteenth Supplemental Indenture securing the 2013A Bonds, dated as of May 1, 2013, between the Authority and the Trustee.

"*Fifth Supplemental Indenture*" means the Fifth Supplemental Indenture securing the 1996A Bonds, dated as of September 1, 1996, between the Authority and the Trustee.

"*First Supplemental Indenture*" means the First Supplemental Indenture securing Toll Highway Priority Revenue Bonds, 1986 Series, dated as of October 1, 1986, between the Authority and the Trustee.

"*Fiscal Year*" means the period January 1 through December 31 of the same year.

"*Fitch*" means Fitch Ratings, its successors and assigns, and, if Fitch shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

"*Fourteenth Supplemental Indenture*" means the Fourteenth Supplemental Indenture securing the 2010A-1 Bonds dated as of June 1, 2010, between the Authority and the Trustee.

"*Fourth Supplemental Indenture*" means the Fourth Supplemental Indenture securing Toll Highway Refunding Revenue Bonds, 1993 Series A and B, dated as of March 1, 1993, between the Authority and the Trustee.

"*Hedge Agreement*" means a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes in, interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including, without limitation, interest rate floors, or caps, options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to any Series of Senior Bonds.

"*Improvement*" means any System Expansion Project or any acquisition, installation, construction, reconstruction, modification or enhancement of or to any real or personal property (other than Operating Expenses) for which a currently effective resolution of the Authority has been adopted authorizing the deposit of Revenues to the credit of the Improvement Account for such System Expansion Project or acquisition, installation, construction, reconstruction, modification or enhancement including, without limitation, the cost of related feasibility studies, plans, designs or other related expenditures.

"*Improvement Account*" means the Improvement Account established in the Indenture.

"*Improvement Requirement*" means the aggregate of the amounts established by currently effective resolutions of the Authority for specified Improvements, based upon a certificate or certificates of the Consulting Engineers with respect to the estimated costs of such Improvements filed with the Authority from time to time, less the amounts previously withdrawn or transferred from the Improvement Account to pay the costs of any such Improvements.

"*Indenture*" means the Amended and Restated Trust Indenture effective as of March 31, 1999 amending and restating the Trust Indenture dated as of December 1, 1985, by and between the Authority and the Trustee, as from time to time amended and supplemented, including by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture and the Amendatory Supplemental Indenture.

"*Interest Payment Date*" means, with respect to the 2019B Bonds, each January 1 and July 1 commencing July 1, 2020.

"*Interest Sub-Account*" means the sub-account of that name in the Debt Service Account established in the Indenture.

"*Investment Securities*" means any of the following securities authorized by law as permitted investments of Authority funds at the time of their purchase:

(i) Federal Securities;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Government National Mortgage Association, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Export-Import Bank, Federal Financing Bank and Student Loan Marketing Association;

(iii) Investments in a money market fund registered under the Investment Company Act of 1940, as amended (including any such money market fund sponsored by or affiliated with any Fiduciary), comprised of any of the investments set forth in subparagraph (i) or subparagraph (ii) above;

(iv) Negotiable or non-negotiable certificates of deposit or time deposits or other banking arrangements issued by any bank, trust company or national banking association (including any Fiduciary), which certificates of deposit or time deposits or other banking arrangements shall be continuously secured or collateralized by obligations described in subparagraphs (i), (ii) or (iii) of this definition, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit or time deposits or other banking arrangements and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit or time deposits or other banking arrangements, which certificates of deposit or time deposits or other banking arrangements acquired or entered into pursuant to this subparagraph (iv) shall be deemed for purposes of the Indenture to constitute investments and not deposits;

(v) With respect to moneys on deposit to the credit of the Debt Service Account, the Debt Reserve Account and the Construction Fund and its separate, segregated accounts (to the extent that the Construction Fund and such separate, segregated accounts are held by the Trustee) (except the Construction Fund revolving accounts), repurchase agreements with any bank, trust company or national banking association (including any Fiduciary) or government bond dealer reporting to the Federal Reserve Bank of New York continuously secured or collateralized by obligations described in subparagraph (i) of this definition, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amortized value of such repurchase agreements, provided such security or collateral is lodged with and held by the Trustee or the Authority as titleholder, as the case may be;

(vi) With respect to moneys on deposit to the credit of all Funds, Accounts and Sub-Accounts (except the Debt Service Account, the Debt Reserve Account, and the Construction Fund to the extent that the Construction Fund is held by the Trustee, the separate, segregated accounts of the Construction Fund to the extent such accounts are held by the Trustee and the revolving accounts of the Construction Fund), repurchase agreements with any bank, trust company or national banking association (including any Fiduciary) or government bond dealer reporting to the Federal Reserve Bank of New York continuously and fully secured for the benefit of the Authority and the Holders of the Bonds as provided by applicable state law with respect to the investment of public funds;

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

(viii) Any Municipal Bond which has a rating by each rating agency from which the Authority has obtained Ratings for its Senior Bonds, which is not lower than the Rating provided by the respective rating agency for Senior Bonds; and

(ix) Any other investment securities as to which the Authority has received written advice from each rating agency which has a Rating for any Senior Bonds that investment in such securities will not result in a reduction of the Rating by the rating agency.

Investment Securities shall be rated not lower than "BBB-" by S&P and "Baa" by Moody's, or, in the case of Investment Securities described in subparagraph (iii), subparagraph (iv), subparagraph (v) or subparagraph (vi) of this definition, shall be secured or collateralized by Investment Securities rated not lower than "BBB" by S&P and "Baa" by Moody's.

"*Junior Bond Debt Reserve Account or Accounts*" means any Junior Bond Debt Reserve Account or Accounts established in Supplemental Indentures authorizing the issuance of Junior Bonds.

"*Junior Bond Debt Service Account or Accounts*" means any Junior Bond Debt Service Account or Accounts established in Supplemental Indentures authorizing the issuance of Junior Bonds.

"*Junior Bonds*" means all Bonds authenticated and delivered as Junior Bonds pursuant to the Indenture.

"*Junior Bonds Revenue Requirement*" means for any Fiscal Year the amount required to be deposited from the Revenue Fund to any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account. For purposes of certain provisions of the tests established by the Indenture for the issuance of Additional Senior Bonds and the Authority's toll covenants, the Junior Bond Revenue Requirement shall be the amount projected to be so required under the Supplemental Indentures authorizing the Junior Bonds, and taking into account, without limitation, (i) the expectations of the Authority as to the receipts, other than Revenues, which pursuant to the Supplemental Indentures authorizing Junior Bonds, will be applied to make such deposits to pay Principal Installments or interest, Costs of Credit Enhancement or Costs of Hedge Agreements and reimbursement to Providers of Credit Enhancement and Hedge Agreements on Junior Bonds to be paid from such Accounts; (ii) the expectations of the Authority as to future refinancings of Junior Bonds which were issued as provided in the Supplemental Indenture authorizing such Junior Bonds with the expectation of refinancing; and (iii) interest payable on Junior Bonds with variable interest rates as provided in the Supplemental Indenture authorizing Junior Bonds.

"*Maintenance and Operation Account*" means the Maintenance and Operation Account established in the Indenture.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

"*Move Illinois Program*" means the "Move Illinois: *The Illinois Tollway Driving the Future*" capital program of the Authority, as described in and approved by Resolution No. 19480 of the Authority, adopted on August 25, 2011, together with the enhancements of the portion of those capital improvements related to the Central Tri-State Tollway described in Resolution No. 21244 of the Authority adopted on April 27, 2017, and as the same may be amended, revised or modified from time to time.

"*Municipal Bonds*" means, any obligations of any state, public corporation, authority, political subdivision, unit of local government or municipality of any state.

"*Net Revenue Requirement*" means, with respect to any period of time, an amount necessary to cure deficiencies, if any, in the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account plus the greater of (i) the sum of Aggregate Debt Service, the Junior Bond Revenue Requirement and the Renewal and Replacement Deposit for such period or (ii) 1.3 times the Aggregate Debt Service for such period.

"*Net Revenues*" means, for any Fiscal Year or other period of time, the Revenues, excluding amounts transferred during such Fiscal Year or period (i) to the Revenue Fund from the Construction Fund and (ii) to the Trustee by the Authority from the System Reserve Account, the Improvement Account or the Renewal and Replacement Account, less the Operating Expenses for such Fiscal Year or period.

"*Nineteenth Supplemental Indenture*" means the Nineteenth Supplemental Indenture securing the 2014C Bonds dated as of December 1, 2014, between the Authority and the Trustee.

"*Ninth Supplemental Indenture*" means the Amended and Restated Ninth Supplemental Indenture securing the 2007A Bonds, dated as of March 1, 2011, between the Authority and the Trustee.

"*1996 Series A Bonds*" means the Toll Highway Refunding Revenue Bonds, 1996 Series A, authorized by the Fifth Supplemental Indenture.

"*1993 Series B Bonds*" means the Authority's Toll Highway Refunding Revenue Bonds, 1993 Series B, issued pursuant to the Fourth Supplemental Indenture and redeemed on January 28, 2009.

"*1992 Series A Bonds*" means the Toll Highway Priority Revenue Bonds, 1992 Series A, authorized by the Third Supplemental Indenture.

"*Operating Expenses*" means the Authority's expenses in the normal course of business for operation, maintenance and repairs of the Tollway System or any part of it and replacement and acquisition of equipment (other than expenses which under generally accepted accounting principles are capitalized and for which amounts (other than amounts held in the Maintenance and Operation Account) are set aside or otherwise available) including, without limitation, all policing, administrative and engineering expenses, legal and financial advisory expenses, fees and expenses of the fiduciaries, payments to pension, retirement, health and hospitalization funds, insurance premiums, rentals under leases of property not constituting Projects, and any other expenses or obligations required to be paid by the Authority under the provisions of the Indenture or by law, all to the extent properly and directly attributable to the operation of the Tollway System, but not including any costs or expenses of any Project, allowance for depreciation, payments on any Outstanding Bonds, Subordinated Indebtedness or money borrowed for purposes other than Operating Expenses, or any reserves for those purposes.

"*Operating Reserve Sub-Account*" means the subaccount of that name in the Maintenance and Operation Account established under the Indenture.

"*Operating Sub-Account*" means the sub-account of that name in the Maintenance and Operation Account.

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

(i) Any Bonds canceled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as provided in the proceedings authorizing such Bonds or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant the Indenture; and

(iv) Bonds deemed to have been paid under the provisions of the Indenture described in **Appendix D – "Summary of Certain Provisions of The Indenture – Defeasance."**

"*Owner*" or "*Registered Owner*" means any person who shall be the registered owner of any Bond.

"*Paying Agent*" means any bank, national banking association or trust company designated by the Authority as paying agent for the Bonds of any Series, and any successor or successors appointed by the Authority under the Indenture, and for the 2019B Bonds means the Trustee.

"*Principal*" when used in connection with a Capital Appreciation Bond shall mean the initial principal amount of such Bond as of its date of issuance plus interest accreted thereon to the date of calculation, which in the aggregate shall constitute the maturity amount of such Capital Appreciation Bond as of the date of maturity thereof.

"*Principal Installment*" means, as of any particular date of calculation and with respect to any particular future date and with respect to Bonds of a particular Series, (a) the principal amount of Outstanding Bonds of said Series that are stated to mature on such future date, reduced by the aggregate principal amount of such Outstanding

Bonds that would before said future date cease to be Outstanding by reason, but only by reason, of the payment when due, and application in accordance with the Indenture, of Sinking Fund Installments payable before said future date toward the retirement of such Outstanding Bonds, and (b) the amount of any Sinking Fund Installment payable on said future date toward the retirement of any Outstanding Bonds of said Series.

"*Principal Sub-Account*" means the sub-account of that name in the Debt Service Account established in the Indenture.

"*Priority Bonds*" means all Bonds designated as Priority Bonds, which, as of the date of issuance of the 2019B Bonds consists of the 2007A Bonds, the 2009A Bonds, and the 2009B Bonds.

"*Project*" means any Improvement or Renewal and Replacement.

"*Provider*" means any person or entity providing Credit Enhancement, a Reserve Account Credit Facility or a Qualified Hedge Agreement with respect to any one or more Series of Senior Bonds, pursuant to agreement with or upon the request of the Authority.

"*Provider Payment Sub-Account*" means the sub-account of that name in the Debt Service Account established in the Indenture.

"*Qualified Hedge Agreement*" means a Hedge Agreement if (i) the Provider of the Hedge Agreement is rated "A" or better by S&P and (ii) the Authority has given each rating agency then rating any of the Senior Bonds (whether or not such rating agency also rates the unsecured obligations of the Provider of the Hedge Agreement or the Provider's guarantor) at least 15 days' notice in writing of its intention to enter into the Hedge Agreement (unless such notice period is waived by such rating agency) and has received from such rating agency its written advice that the entering into of the Hedge Agreement by the Authority will not in and of itself cause a reduction or withdrawal by such rating agency of its Rating on any Senior Bonds. Such written advice shall constitute a waiver by that rating agency of the notice requirement set forth above.

"*Rating*" means a rating given Senior Bonds by a nationally-recognized rating agency upon the request or application of the Authority, and where the rating of any Senior Bonds is based upon bond insurance or similar credit enhancement, it means the rating which those Senior Bonds would have without that bond insurance or credit enhancement.

"*Rating Agency*" means Fitch, Moody's and S&P or any other nationally recognized securities rating agency then assigning a Rating to the applicable Series.

"*Record Date*" means the fifteenth (15^{th}) day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

"*Redemption Price*" means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon the date fixed for redemption.

"*Redemption Sub-Account*" means the sub-account of that name in the Debt Service Account established in the Indenture.

"*Refunding Bonds*" means all Bonds designated as Refunding Bonds, which as of the date of issuance of the 2019B Bonds consists of the 1996A Bonds, the 1998 Bonds, the 2008A Bonds, the 2010A Bonds, the 2013B Bonds, the 2014A Bonds, the 2014D Bonds, the 2016A Bonds, the 2018A Bonds and the 2019B Bonds.

"*Registrar*" means the Trustee.

"*Renewal and Replacement*" means preservation, replacement, repairs, renewals and reconstruction or modifications of the Tollway System or any part of it constituting real or personal property, whether leased or purchased, but does not include System Expansion Projects.

"*Renewal and Replacement Account*" means the Renewal and Replacement Account established in the Indenture.

"*Renewal and Replacement Deposit or Deposits*" means, with respect to any period, any amount budgeted for deposit to or projected for deposit to the Renewal and Replacement Account for Renewal and Replacement Expenses, other than such budgeted or projected amounts which the Authority has determined will be available for Renewal and Replacement Expenses from the System Reserve Fund, the Improvement Fund or from the proceeds of authorized borrowings or from installment purchases or leases.

"*Renewal and Replacement Expense or Expenses*" means the cost of any Renewal and Replacement.

"*Reserve Account Credit Facility*" means a surety bond, an insurance policy, a letter of credit or other credit facility with respect to any Series of Senior Bonds which meets the requirements of the Indenture.

"*Revenues*" means (i) all tolls, fees, charges, rents, and other income and receipts derived from the operation of the Tollway System, (ii) the proceeds of any use and occupancy insurance relating to the Tollway System and of any other insurance that insures against loss of revenues, (iii) investment income from any moneys or securities held in Funds, Accounts or Sub-Accounts established under the Indenture, other than the Construction Fund, and (iv) amounts transferred from the Construction Fund to the Revenue Fund, and transfers to the Trustee by the Authority from the System Reserve Account pursuant to the Indenture. Revenues excludes Federal and State grants and appropriations, loan proceeds, gifts or donations of any kind, transfers, if any, to the Authority as permitted under any Escrow Agreement, and receipts not related to the Authority's performance of its obligations under the Indenture or to the operations of the Tollway System.

"*S&P*" means S&P Global Ratings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

"*Second Supplemental Indenture*" means the Second Supplemental Indenture securing Toll Highway Refunding Revenue Bonds, 1987 Series, dated as of February 15, 1987, between the Authority and the Trustee.

"*Senior Bonds*" means (i) the Authority's Outstanding Priority Bonds, (ii) the Authority's Outstanding 2013A Bonds, 2014B Bonds, 2014C Bonds, 2015B Bonds and 2016B Bonds, (iii) the Authority's Outstanding Refunding Bonds, and (iv) all Additional Senior Bonds, without duplication, issued in accordance with the Indenture.

"*Series*" means all of the Bonds designated as a series and authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds.

"*Seventeenth Supplemental Indenture*" means the Seventeenth Supplemental Indenture securing the 2014A Bonds dated as of January 1, 2014, between the Authority and the Trustee.

"*Seventh Supplemental Indenture*" means the Seventh Supplemental Indenture securing the 2005 Bonds, dated as of June 1, 2005, between the Authority and the Trustee.

"*Sinking Fund Installment*" means, each principal amount of Senior Bonds scheduled to be retired through the application of amounts on deposit in the Redemption Sub-Account established pursuant to the Indenture.

"*Sixteenth Supplemental Indenture*" means the Sixteenth Supplemental Indenture securing the 2013 B-1 Bonds, dated as of August 1, 2013, between the Authority and the Trustee.

"*Sixth Supplemental Indenture*" means the Sixth Supplemental Indenture securing the 1998 Bonds, dated as of December 1, 1998, between the Authority and the Trustee.

"*Subordinated Indebtedness*" means any evidence of indebtedness, other than Bonds, permitted to be issued by the Indenture for any purpose for which Bonds may be issued thereunder and payable from the System Reserve Account.

"*Subsidy Payments*" means the cash subsidy payments that may be paid from time to time by the United States Treasury pursuant to Sections 54AA(g) and 6431 of the Code resulting from the elections by the Authority to issue the 2009A Bonds and the 2009B Bonds as "Build America Bonds (Direct Payment)."

"*System Expansion Project*" means any acquisition, improvement, betterment, enlargement or capital addition that extends the Tollway System.

"*System Reserve Account*" means the System Reserve Account established in the Indenture.

"*Tenth Supplemental Indenture*" means the Amended and Restated Tenth Supplemental Indenture securing the 2008A Bonds, dated as of February 1, 2011, between the Authority and the Trustee.

"*Termination Payment Account*" means the Termination Payment Account established in the Indenture.

"*Third Supplemental Indenture*" means the Third Supplemental Indenture securing the 1992 Series A Bonds, dated as of September 1, 1992, between the Authority and the Trustee.

"*Thirteenth Supplemental Indenture*" means the Thirteenth Supplemental Indenture securing the 2009B Bonds, dated as of December 1, 2009, between the Authority and the Trustee.

"*Tollway System*" means, collectively, (i) the toll highways operated and maintained by the Authority as of December 1, 1985, (ii) any Projects, and (iii) all properties, equipment and facilities used in connection with the operation and maintenance of the facilities listed in clause (i) or (ii) of this definition.

"*Treasurer*" means the Treasurer of the State of Illinois and *ex officio* custodian of the "Illinois State Toll Highway Authority Fund," a special fund created under the Act, of which all Funds, Accounts, and Sub-Accounts created under the Indenture, including the Revenue Fund and the Construction Fund, are a part.

"*Trustee*" means The Bank of New York Mellon Trust Company, N.A., as successor to The First National Bank of Chicago, currently serving as trustee under the Indenture.

"*Twelfth Supplemental Indenture*" means the Twelfth Supplemental Indenture securing the 2009A Bonds, dated as of May 1, 2009, between the Authority and the Trustee.

"*Twentieth Supplemental Indenture*" means the Twentieth Supplemental Indenture securing the 2014D Bonds dated as of December 1, 2014, between the Authority and the Trustee.

"*Twenty-Eighth Supplemental Indenture*" means the Twenty-Eighth Supplemental Indenture securing the 2019B Bonds dated as of November 1, 2019, between the Authority and the Trustee.

"*Twenty-Fifth Supplemental Indenture*" means the Twenty-Fifth Supplemental Indenture securing the 2017A Bonds dated as of December 1, 2017, between the Authority and the Trustee.

"*Twenty-First Supplemental Indenture*" means the Twenty-First Supplemental Indenture securing the 2015A Bonds dated as of July 1, 2015, between the Authority and the Trustee.

"*Twenty-Fourth Supplemental Indenture*" means the Twenty-Fourth Supplemental Indenture securing the 2016B Bonds dated as of May 1, 2016, between the Authority and the Trustee.

"*Twenty-Second Supplemental Indenture*" means the Twenty-Second Supplemental Indenture securing the 2015B Bonds dated as of November 1, 2015, between the Authority and the Trustee.

"*Twenty-Seventh Supplemental Indenture*" means the Twenty-Seventh Supplemental Indenture securing the 2019A Bonds dated as of July 1, 2019, between the Authority and the Trustee.

"*Twenty-Sixth Supplemental Indenture*" means the Twenty-Sixth Supplemental Indenture securing the 2018A Bonds dated as of December 1, 2018, between the Authority and the Trustee.

“*Twenty-Third Supplemental Indenture*” means the Twenty-Third Supplemental Indenture securing the 2016A Bonds dated as of January 1, 2016, between the Authority and the Trustee.

“*2005 Bonds*” means the Toll Highway Senior Priority Revenue Bonds, 2005 Series A, authorized by the Seventh Supplemental Indenture.

“*2006 Bonds*” means the 2006A-1 Bonds and the 2006A-2 Bonds.

“*2006A-1 Bonds*” means the Toll Highway Senior Priority Revenue Bonds, 2006 Series A-1, authorized by the Eighth Supplemental Indenture.

“*2006A-2 Bonds*” means the Toll Highway Senior Priority Revenue Bonds, 2006 Series A-2, authorized by the Eighth Supplemental Indenture.

“*2007A Bonds*” means the 2007A-1 Bonds and the 2007A-2 Bonds.

“*2007A-1 Bonds*” means the Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-1a and A-1b, authorized by the Ninth Supplemental Indenture.

“*2007A-2 Bonds*” means the Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-2a, A-2b, A-2c and A-2d, authorized by the Ninth Supplemental Indenture.

“*2008A Bonds*” means the 2008A-1 Bonds and the 2008A-2 Bonds.

“*2008A-1 Bonds*” means the Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1a and A-1b, authorized by the Tenth Supplemental Indenture.

“*2008A-2 Bonds*” means the Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-2, authorized by the Tenth Supplemental Indenture.

“*2008B Bonds*” means the Toll Highway Senior Priority Revenue Bonds, 2008 Series B, authorized by the Eleventh Supplemental Indenture.

“*2009A Bonds*” means the Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (Build America Bonds – Direct Payment), authorized by the Twelfth Supplemental Indenture.

“*2009B Bonds*” means the Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series B (Build America Bonds – Direct Payment), authorized by the Thirteenth Supplemental Indenture.

“*2010A-1 Bonds*” means the Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1, authorized by the Fourteenth Supplemental Indenture.

“*2013A Bonds*” means the Toll Highway Senior Revenue Bonds, 2013 Series A, authorized by the Fifteenth Supplemental Indenture.

“*2013B-1 Bonds*” means the Toll Highway Senior Revenue Bonds, 2013 Series B-1 (Refunding), authorized by the Sixteenth Supplemental Indenture.

“*2014A Bonds*” means the Toll Highway Senior Revenue Bonds, 2014 Series A (Refunding), authorized by the Seventeenth Supplemental Indenture.

“*2014B Bonds*” means the Toll Highway Senior Revenue Bonds, 2014 Series B, authorized by the Eighteenth Supplemental Indenture.

“*2014C Bonds*” means the Toll Highway Senior Revenue Bonds, 2014 Series C, authorized by the Nineteenth Supplemental Indenture.

"*2014D Bonds*" means the Toll Highway Senior Revenue Bonds, 2014 Series D (Refunding), authorized by the Twentieth Supplemental Indenture.

"*2015A Bonds*" means the Toll Highway Senior Revenue Bonds, 2015 Series A, authorized by the Twenty-First Supplemental Indenture.

"*2015B Bonds*" means the Toll Highway Senior Revenue Bonds, 2015 Series B, authorized by the Twenty-Second Supplemental Indenture.

"*2016A Bonds*" means the Toll Highway Senior Revenue Bonds, 2016 Series A (Refunding), authorized by the Twenty-Third Supplemental Indenture.

"*2016B Bonds*" means the Toll Highway Senior Revenue Bonds, 2016 Series B, authorized by the Twenty-Fourth Supplemental Indenture.

"2017A Bonds" means the Toll Highway Senior Revenue Bonds, 2017 Series A, authorized by the Twenty-Fifth Supplemental Indenture.

"*2018A Bonds*" means the Toll Highway Senior Revenue Bonds, 2018 Series A, authorized by the Twenty-Sixth Supplemental Indenture.

"*2019A Bonds*" means the Toll Highway Senior Revenue Bonds, 2019 Series A, authorized by the Twenty-Seventh Supplemental Indenture.

"*2019B Bonds*" means the Toll Highway Senior Revenue Bonds, 2019 Series B, authorized by the Twenty-Eighth Supplemental Indenture.

"*Underwriters*" means the group of underwriters represented by Morgan Stanley & Co. LLC and BofA Securities, Inc., in connection with the purchase of the 2019B Bonds.

PLEDGE AND LIEN

Pursuant to the Indenture, the Authority pledges for the payment of the principal and Redemption Price of, and interest on, the Senior Bonds (i) the Net Revenues, (ii) amounts on deposit in all Funds, Accounts and Sub-Accounts, except amounts on deposit in or required to be deposited in the Maintenance and Operation Account established by the Indenture and except for amounts held from time to time in any Junior Bond Debt Service Accounts and any Junior Bond Debt Reserve Accounts, in each case established pursuant to the Supplemental Indentures authorizing any Junior Bonds and (iii) any and all other moneys, securities and property held by the Trustee under the terms of the Indenture (except such amounts to be held solely for benefit of Junior Bonds).

The pledge and lien created by the Indenture for Senior Bonds secure Senior Bonds on an equal and ratable basis and are superior in all respects to any pledge and lien created by any Supplemental Indenture for Junior Bonds, except with respect to amounts held from time to time solely for the benefit of Junior Bonds. With respect to amounts held in the Junior Bond Debt Service Account and the Junior Bond Debt Reserve Account, the pledge and lien for Junior Bonds secure Junior Bonds on an equal and ratable basis and are superior in all respects to the pledge and lien created for Senior Bonds. For purposes of the pledge and lien granted by the Indenture, and the requirement for deposits in and use of amounts in the Debt Service Account, the payment of principal of, premium, if any, and interest on Senior Bonds may include reimbursing Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds for amounts applied by such Providers to pay such principal of, premium, if any, and interest on Senior Bonds, but amounts in the Debt Service Account shall be so applied only if after such application there is no deficiency in the Debt Service Account.

FLOW OF FUNDS

The Authority covenants to deliver all Revenues (other than investment income, unless otherwise directed by the Indenture, and other than reimbursable advances from particular Funds or Accounts, which may when reimbursed be deposited directly into the Fund or Account from which the advance was made), within five Business Days after receipt, for deposit in the Revenue Fund. On or before the 20th day of each month the Treasurer, at the direction of the Authority, will transfer or apply the balance as of such date of transfer in the Revenue Fund not previously transferred or applied in the following order of priority:

First, to the credit of the Maintenance and Operation Account as follows:

(1) to the credit of the Operating Sub-Account, that portion of the Operating Expenses set forth in the Annual Budget for the then current Fiscal Year that would have accrued on a *pro rata* basis to the end of the current calendar month if deemed to accrue monthly on a *pro rata* basis from the first day of the then current Fiscal Year, less all other amounts previously transferred by the Treasurer for deposit to the credit of the Operating Sub-Account during said Fiscal Year and less the balance, if any, that was on deposit to the credit of the Operating Sub-Account on December 31 of the preceding Fiscal Year, and

(2) to the credit of the Operating Reserve Sub-Account, the amount, if any, as shall be specified by the Authority; *provided*, *however*, that any such amount specified by the Authority shall be reduced by the amount, if any, by which such deposit, if made, when added to the balance on deposit to the credit of the Operating Reserve Sub-Account as of the last day of the immediately preceding month, would exceed 30% of the amount budgeted for Operating Expenses in the Annual Budget for the then current Fiscal Year.

Second, to the credit of the Debt Service Account maintained by the Trustee, as follows:

(1) to the credit of the Interest Sub-Account, an amount equal to (a) any interest due and unpaid on Senior Bonds, plus (b) for each Series of Senior Bonds, one-sixth of the difference between the interest payable on Outstanding Senior Bonds of that Series on any interest payment date within the next six months, and the proceeds of Senior Bonds on deposit to the credit of the Interest Sub-Account for paying that interest (*provided*, *however*, that for interest payable on any Series of Senior Bonds other than semi-annually or at a variable rate, and for a first interest payment date or as otherwise provided in any Supplemental Indenture for any Series of Senior Bonds, the amount so deposited shall be as provided in the Supplemental Indenture authorizing the Senior Bonds providing for such deposits). For purposes of calculating the periodic transfers required to be made to the Interest Sub-Account with respect to the 2009A Bonds and the 2009B Bonds pursuant to said clause (b), the Treasurer may apply the Subsidy Payments on deposit with the Trustee as a credit against the interest due on the date of deposit of the Subsidy Payments or if none is then due or such interest payment has been fully provided for, against the next interest due on the 2009A Bonds and the 2009B Bonds. Interest payable shall take into account any Qualified Hedge Agreement as provided under the Indenture;

(2) to the credit of the Principal Sub-Account, an amount equal to (a) any principal due and unpaid on Outstanding Senior Bonds plus (b) for each Series of Senior Bonds, one-twelfth of any principal (including the maturity amount of Capital Appreciation Bonds) of such Outstanding Senior Bonds payable on the next principal payment date within the next twelve months (*provided*, *however*, that a Supplemental Indenture authorizing any Series of Senior Bonds which has Principal Installments payable other than annually shall provide for the amounts to be so deposited, and any Supplemental Indenture authorizing any Series of Senior Bonds may provide for additional deposits in the Principal Sub-Account); and

(3) to the credit of the Redemption Sub-Account, an amount for each Series of Senior Bonds equal to one-twelfth of any Sinking Fund Installment of such Outstanding Senior Bonds of that Series payable within the next twelve months (*provided*, *however*, that a Supplemental Indenture authorizing Senior Bonds of a Series which has Sinking Fund Installments payable other than annually shall provide for the amounts to be so deposited, and any Supplemental Indenture authorizing Senior Bonds of a Series may provide for additional deposits in the Redemption Sub-Account).

Third, to the credit of the Provider Payment Sub-Account amounts as provided in any Supplemental Indenture for paying Costs of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds or for making reimbursements to Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds; but no such deposit shall be made for making any termination payment for a Qualified Hedge Agreement when there is any deficiency in the Debt Reserve Account; *provided*, that, with respect to (a) any Credit Enhancements executed and delivered or becoming effective on or after the effective date of the amendment to the Indenture establishing the Termination Payment Account (June 22, 2005) all termination payments required to be made in connection with any such Credit Enhancements shall be paid from the Termination Payment Account and (b) any Qualified Hedge Agreements executed and delivered or becoming effective on or after the effective date of the amendment to the Indenture establishing the Termination Payment Account (June 22, 2005), all termination payments required to be made in connection with any such Qualified Hedge Agreements shall be paid from the Termination Payment Account.

Fourth, to the credit of the Debt Reserve Account, maintained by the Trustee, an amount sufficient to cause the balance in it to equal the Debt Reserve Requirement and to make any required reimbursement to Providers of Reserve Account Credit Facilities, which reimbursement is payable as provided by a Supplemental Indenture from the Debt Reserve Account.

Fifth, to the credit of any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account, maintained by the Trustee, any amounts required by, and in the priority established by, any Supplemental Indentures authorizing Junior Bonds.

Sixth, to the credit of the Termination Payment Account, an amount sufficient to provide for the payment of termination payments then due and owing with respect to (i) Credit Enhancements and Qualified Hedge Agreements executed and delivered or becoming effective on or after the date of execution and delivery of the Seventh Supplemental Indenture and (ii) credit enhancement and similar agreements and hedge agreements executed and delivered pursuant to any Supplemental Indenture authorizing Junior Bonds.

Seventh, to the credit of the Renewal and Replacement Account, that portion of the Renewal and Replacement Deposit set forth in the Annual Budget for the then current Fiscal Year that would have accrued on a pro rata basis to the end of the current calendar month if deemed to accrue monthly on a pro rata basis from the first day of the then current Fiscal Year, less all other amounts previously transferred by the Treasurer for deposit to the credit of the Renewal and Replacement Account during that Fiscal Year.

Eighth, at the direction of the Authority, to the credit of the Improvement Account, for allocation to a project or projects as determined by the Authority in its sole discretion, until the balance in such Account is equal to the Improvement Requirement or such lesser amount as the Authority may from time to time determine by resolution.

Ninth, at the direction of the Authority, the balance of such amounts in the Revenue Fund for deposit to the credit of the System Reserve Account.

Any deficiency in the credits required to the various Accounts and Sub-Accounts in any month shall be added to the required credit for the next month.

Funds, Accounts and Sub-Accounts. The Indenture establishes the following Funds and Accounts:

(a) Revenue Fund
(b) Maintenance and Operation Account
(c) Debt Service Account held by the Trustee
(d) Debt Reserve Account held by the Trustee
(e) Any Junior Bond Debt Service Account held by the Trustee
(f) Any Junior Bond Debt Reserve Account held by the Trustee
(g) Termination Payment Account held by the Trustee
(h) Renewal and Replacement Account
(i) Improvement Account
(j) System Reserve Account
(k) Construction Fund (by Supplemental Indenture, segregated accounts therein held by the Trustee).

All moneys deposited under the provisions of the Indenture are required to be deposited with one or more Depositaries, in trust and applied only in accordance with the Indenture.

Certain of the foregoing Accounts and Sub-Accounts are established under the Indenture for the following purposes:

Maintenance and Operation Account — Operating Sub-Account. The Authority is required to pay Operating Expenses from the Operating Sub-Account in accordance with the Authority's Annual Budget.

Maintenance and Operation Account — Operating Reserve Sub-Account. Subject to the requirements of the Authority's Annual Budget, moneys, if any, on deposit to the credit of the Operating Reserve Sub-Account shall be held as a reserve for the payment of Operating Expenses and shall be withdrawn from time to time by the Authority, to the extent that moneys are not available to the credit of the Operating Sub-Account, in order to pay Operating Expenses. As of the last day of each Fiscal Year, the Authority shall transfer from the Operating Reserve Sub-Account to the Operating Sub-Account the amount, if any, to the credit of the Operating Reserve Sub-Account in excess of thirty percent of the amount budgeted for Operating Expenses in the Annual Budget for the then current Fiscal Year.

Debt Service Account and Debt Reserve Account. The Indenture establishes the Debt Service Account and Debt Reserve Account for the benefit of the Outstanding Senior Bonds, and any Additional Senior Bonds. The Indenture authorizes the establishment of Junior Bond Debt Service Accounts and Junior Bond Debt Reserve Accounts.

Debt Service Account. The Trustee shall pay to the respective Paying Agents in Current Funds (i) out of the Interest Sub-Account on or before each interest payment date for any Senior Bonds, including the 2019B Bonds, the amount required for the interest payable on such date; (ii) out of the Principal Sub-Account on or before each such interest payment date, an amount equal to the principal amount of the Outstanding Senior Bonds that mature on such date; and (iii) out of the Redemption Sub-Account on or before the day preceding any date fixed for redemption of Outstanding Senior Bonds from Sinking Fund Installments, the amount required for the payment of the Redemption Price of such Senior Bonds then to be redeemed. The Trustee shall also pay out of the Interest Sub-Account the accrued interest included in the purchase price of Senior Bonds purchased for retirement. The Trustee shall, at any time there is a deficiency in credits to the Interest Sub-Account, the Principal Sub-Account and the Redemption Sub-Account, apply amounts in the Provider Payment Sub-Account to remedy those deficiencies, in that order. The Trustee shall pay from the Provider Payment Sub-Account after any payment, as provided in the preceding sentence, has been made, to Providers amounts for paying Costs of Credit Enhancement or costs of Qualified Hedge Agreements for Senior Bonds, or making reimbursement to Providers of Credit Enhancement or Qualified Hedge Agreements, for Senior Bonds, as provided in Supplemental Indentures for Senior Bonds, but only if there is no deficiency in the Interest, Principal or Redemption Sub-Accounts.

Amounts to the credit of the Redemption Sub-Account with respect to Sinking Fund Installments are required to be applied to the purchase or redemption of Senior Bonds subject to redemption pursuant to Sinking Fund Installments as follows:

(i) Amounts deposited to the credit of the Redemption Sub-Account to be used in satisfaction of any Sinking Fund Installment may, and if so directed by the Authority shall, be applied by the Trustee, on or prior to the forty-sixth day preceding the next scheduled Sinking Fund Installment date, to the purchase of Senior Bonds for which such Sinking Fund Installment was established. That portion of the purchase price attributable to accrued interest shall be paid from the Interest Sub-Account. All such purchases of Senior Bonds shall be made at prices not exceeding the applicable Sinking Fund Redemption Price of such Senior Bonds plus accrued interest, and such purchases shall be made in such manner as the Authority shall determine. The principal amount of any Senior Bonds so purchased shall be deemed to be a part of the Redemption Sub-Account until such Sinking Fund Installment date, for the purpose of calculating the amount on deposit in such Sub-Account.

(ii) At any time up to the forty-sixth day preceding the next scheduled Sinking Fund Installment date, the Authority may purchase with any available funds, which may include amounts in the Improvement Account or the System Reserve Account, Senior Bonds for which such Sinking Fund Installment was established and surrender such Senior Bonds to the Trustee at any time up to such forty-Sixth day.

(iii) To the extent that amounts are available to the credit of the Redemption Sub-Account and the Debt Reserve Account, and after giving effect to the Senior Bonds purchased by the Trustee and Senior Bonds surrendered by the Authority, which shall be credited against the Sinking Fund Installment for the Senior Bonds at their applicable sinking fund Redemption Price, and as soon as practicable after the forty-sixth day preceding the next scheduled Sinking Fund Installment date, the Trustee shall proceed to call for redemption on such scheduled Sinking Fund Installment date Senior Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Senior Bonds maturing on a Sinking Fund Installment date which shall be retired from payments from the Principal Sub-Account) in such amount as shall be necessary to complete the retirement of the unsatisfied portion of such Sinking Fund Installment. The Trustee shall pay out of the Redemption Sub-Account (after transfers to it from the Debt Reserve Account, if required) to the appropriate Paying Agents, on or before the day preceding such redemption date, the Redemption Price required for the redemption of the Senior Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

(iv) If the principal amount of Senior Bonds retired through application of amounts in satisfaction of any Sinking Fund Installment shall exceed such Sinking Fund Installment, or in the event of the purchase or redemption from moneys other than from the Redemption Sub-Account of Senior Bonds of any Series and maturity for which Sinking Fund Installments have been established, such excess or the principal amount of Senior Bonds so purchased or redeemed, as the case may be, shall be credited toward future scheduled Sinking Fund Installments either (i) in the order of their due dates or (ii) in such order as the Authority establishes in a certificate signed by an Authorized Officer and delivered to the Trustee on or prior to the date which is forty-five days after such redemption date.

(v) Failure to retire the entire scheduled amount of Senior Bonds through the application of any Sinking Fund Installment on or prior to the next scheduled Sinking Fund Installment date shall not be an Event of Default under the Indenture. Any amount of Senior Bonds not so retired shall be added to the amount to be retired on the next scheduled Sinking Fund Installment date for such Senior Bonds. See **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default."**

Debt Reserve Account. If on the due date of any interest on any Senior Bonds, including the 2019B Bonds, or any Principal Installment thereof, the aggregate amount to the credit of the Debt Service Account shall be less than the amount required to pay such interest or Principal Installment (and any other net amounts payable by the Authority from the Interest Sub-Account for Qualified Hedge Agreements) of any Senior Bonds, the Trustee shall apply amounts from the Debt Reserve Account to the extent necessary to make good the deficiency, in the following order of priority: first, to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account and then to the credit of the Redemption Sub-Account.

In lieu of any required deposits into the Debt Reserve Account, the Authority may cause to be deposited into the Debt Reserve Account one or more Reserve Account Credit Facilities in total amounts equal to the difference between the Debt Reserve Requirement and the sums then on deposit to the credit of the Debt Reserve Account, if any. The Provider of the Reserve Account Credit Facility which is a surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by S&P and Moody's, or their successors, or any insurer who holds the highest policyholder rating accorded insurers by A.M. Best & Co. or any comparable service; *provided* that the Authority shall give each rating agency which gives any Bonds a Rating at least 7 days prior written notice before acquiring such a Reserve Account Credit Facility which does not meet the rating requirement of this sentence from S&P and Moody's, or their successors. The Provider of the Reserve Fund Credit Facility which is a letter of credit shall be a bank or trust company or other legal entity which is rated not lower than the second highest rating category by S&P and Moody's, or their successors, and the letter of credit or other credit facility itself shall be rated in the highest category of both such rating agencies. If a disbursement is made pursuant to any Reserve Account Credit Facility, the Authority shall be obligated either (i) to reinstate the maximum limits of such Reserve Account Credit Facility or (ii) to deposit to the credit of the Debt Reserve Account, funds in the amount of the disbursement made under such Reserve Account Credit Facility, or a combination of such alternatives, as shall provide that the amount to the credit of the Debt Reserve Account equals the Debt Reserve Requirement within a time period not longer than would have been required to restore the Debt Reserve Account by operation of the monthly transfer of funds from the Revenue Fund, as applicable.

Whenever the amount to the credit of the Debt Reserve Account shall exceed the Debt Reserve Requirement, after making any required reimbursement to a Provider of a Reserve Account Credit Facility, the Trustee shall use such excess to remedy any deficiency in the Debt Service Account and at the written direction of the Authority promptly transfer such excess to the Authority to be applied as Revenues as further described in **APPENDIX D –**

"**Summary of Certain Provisions of the Indenture – Flow of Funds**"; *provided*, *however*, that upon the written direction of the Authority, the Trustee shall promptly transfer all or any portion of the amount of such excess as specified in such direction (i) to a refunding or defeasance escrow established pursuant to the Indenture, or (ii) for any purpose for which Senior Bonds may be issued.

The Trustee shall pay to Providers of Reserve Account Credit Facilities any reimbursement which is payable from the Debt Reserve Account as provided by a Supplemental Indenture, and upon the written direction of an Authorized Officer shall use amounts in the Debt Reserve Account to acquire a Reserve Account Credit Facility, but only to the extent that after such payment the amount to the credit of the Debt Reserve Account, including the amount of any Reserve Account Credit Facilities, either is not less than the Debt Reserve Requirement or is not reduced by the payment or acquisition.

Junior Bond Accounts. The Trustee shall apply amounts in the Junior Bond Debt Service Accounts and the Junior Bond Debt Reserve Accounts as required by, and in the priority established by, any Supplemental Indenture authorizing Junior Bonds.

Termination Payment Account. Moneys to the credit of the Termination Payment Account are to be applied at the direction of the Authority to the payment of termination payments with respect to (i) Credit Enhancements and Qualified Swap Agreements and (ii) credit enhancement and similar agreements and hedge agreements executed and delivered pursuant to any Supplemental Indenture authorizing Junior Bonds.

If at any time the amounts to the credit of the Debt Service Account, the Debt Reserve Account, the Improvement Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on the Senior Bonds, the Authority upon notice from the Trustee shall transfer from the Termination Payment Account for deposit to the credit of the Debt Service Account the amount necessary (or the entire available amount to the credit of the Termination Payment Account if less than the amount necessary) to make up such deficiency, in the following order of priority: first, to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account, then to the credit of the Redemption Sub-Account and then to the credit of the Provider Payment Sub-Account.

If, at any time after the transfers referred to in the prior paragraph have been made or have been determined by the Trustee to be unnecessary, the amounts to the credit of any debt service account or debt service reserve account established pursuant to a Supplemental Indenture authorizing Junior Bonds, the Improvement Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on any Junior Bonds or to make required payments from any such debt service account, the Authority upon notice from the Trustee shall transfer from the Termination Payment Account to the Trustee for deposit to the credit of such debt service account the amount necessary (or the entire available amount to the credit of the Termination Payment Account if less than the amount necessary) to make up such deficiency in the order or priority specified by the Supplemental Indenture authorizing the related Junior Bonds.

Renewal and Replacement Account. Moneys to the credit of the Renewal and Replacement Account are to be applied to Renewal and Replacement Expenses at the direction of the Authority.

If, at any time the amounts to the credit of the Debt Service Account, the Debt Reserve Account, the Improvement Account, and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on Senior Bonds, the Authority upon notice from the Trustee shall transfer from the Renewal and Replacement Account and its revolving account to the Trustee for deposit to the credit of the Debt Service Account the amount necessary (or the entire available amount to the credit of the Renewal and Replacement Account and its revolving account if less than the amount necessary) to make up such deficiency, in the following order of priority: first, to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account, then to the credit of the Redemption Sub-Account, and then to the credit of the Provider Payment Sub-Account.

Improvement Account. Moneys to the credit of the Improvement Account are to be applied to the payment of the costs of Improvements at the direction of the Authority.

If at any time the amounts to the credit of the Debt Service Account, the Debt Reserve Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on the Senior

Bonds and to make required payments from the Debt Service Account, the Authority upon notice from the Trustee shall transfer from the Improvement Account and its revolving account to the Trustee for deposit to the credit of the Debt Service Account the amount necessary (or the entire available amount to the credit of the Improvement Account and its revolving account if less than the amount necessary) to make up such deficiency, in the following order of priority: first, to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account, then to the credit of the Redemption Sub-Account and then to the credit of the Provider Payment Sub-Account.

The Authority may, from time to time, cause the Consulting Engineers to prepare and file estimates of the cost of the proposed Improvements, and the Authority may adopt resolutions pursuant to such estimates to establish the Improvement Requirement. In the event the cost of any Improvement is increased in accordance with such procedures, the Improvement Requirement with respect to such Improvement shall be correspondingly increased. In the event the cost of any Improvement is decreased in accordance with such procedures, the Improvement Requirement with respect to such Improvement shall be correspondingly reduced and any resulting excess to the credit of the Improvement Account shall, at the discretion of the Authority, be promptly credited for the cost of any other Improvement or be promptly transferred to the credit of the System Reserve Account.

Nothing contained in the Indenture shall prohibit the Authority from withdrawing moneys deposited to the credit of the Improvement Account for any Improvement, and depositing such moneys to the credit of an account in the Construction Fund or to the credit of any other fund, account or sub-account maintained for the purposes of paying the cost of such Improvement.

System Reserve Account. The Authority shall transfer to the Trustee, upon requisition by the Trustee, from amounts on deposit to the credit of the System Reserve Account and its revolving account for credit (i) to the various Accounts and Sub-Accounts, and in the order of the priority specified in **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds**," the amount necessary (or the entire amount to the credit of the System Reserve Account and its revolving account if less than the amount necessary) to make up any deficiencies in payments to said Accounts and Sub-Accounts required under the Indenture, and (ii) in the event of any transfer of moneys from the Debt Reserve Account, to the credit of the Accounts from which such transfers were made in the order of priority specified in **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds**," the amount of any resulting deficiency in such Accounts.

Amounts on deposit to the credit of the System Reserve Account and its revolving account after all required transfers and payments may, in the sole discretion of the Authority, be applied to any one or more of the following purposes:

(a) to make payments, when due, on Subordinated Indebtedness;

(b) to provide for the purchase or redemption of any Bonds;

(c) to make payments into any separate account or accounts established in the Construction Fund for any Project;

(d) to provide improvements, extensions, betterments, renewals and replacements of the Tollway System, including studies, surveys, estimates and investigations relating thereto, or the provision of reserves for those purposes;

(e) to apply as Revenues pursuant to the Indenture;

(f) to be transferred to any Fund or Account established under the Indenture or any Supplemental Indenture; and

(g) for any other lawful Authority purpose, including repayment of any other indebtedness incurred by the Authority.

Creation of Additional Accounts and Sub-Accounts. The Trustee or the Treasurer, as the case may be, shall, at the written request of the Authority, establish such additional Accounts within any of the Funds established under the Indenture, and Sub-Accounts within any of the Accounts established under the Indenture, as shall be specified in such written request, for the purpose of enabling the Authority to identify or account for more precisely the sources, timing and amounts of transfers or deposits into such Funds, Accounts and Sub-Accounts, the amounts on deposit in or credited to such Funds, Accounts or Sub-Accounts as of any date or dates of calculation, and the sources, timing and amounts of transfers, disbursements or withdrawals from such Funds, Accounts or Sub-Accounts; but the establishment of any such additional Accounts or Sub-Accounts shall not alter or modify in any manner or to any extent any of the requirements of the Indenture with respect to the deposit or use of moneys in any Fund, Account or Sub-Account established under the Indenture.

Investments of Certain Moneys. All moneys held in any separate, segregated accounts of the Construction Fund held by the Trustee, Debt Service Account and its Sub-Accounts, or the Debt Reserve Account, shall be invested and reinvested at the direction of the Authority to the fullest extent practicable in Investment Securities that mature no later than necessary to provide moneys when needed for payments to be made from such Funds, Accounts or Sub-Accounts, but no moneys in the Debt Reserve Account shall be invested in any Investment Security maturing more than ten (10) years from the date of such investment. Amounts in the Revenue Fund may be invested by the Treasurer, at the direction of the Authority, in Investment Securities maturing not later than necessary to provide moneys when needed for payments from such portion of the Revenue Fund so held by the Authority pursuant to the Indenture. Moneys held in any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account shall be invested and reinvested by the Trustee as provided in the applicable Supplemental Indentures.

Valuation of Investments. Valuation of Investment Securities held in the Funds, Accounts and Sub-Accounts established under the Indenture will be made as often as may be necessary to determine the amounts held under the Indenture, except the valuation of Investment Securities held in the Debt Service Account and its Sub-Accounts, the Debt Reserve Account, any Junior Bond Debt Service Account and its Sub-Accounts and any Junior Bond Debt Reserve Account shall also be made on December 20 of each year.

Deposits. All moneys on deposit to the credit of the Construction Fund, the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds, by lodging with the Trustee as collateral security, direct obligations of or obligations unconditionally guaranteed by the United States of America having a market value (exclusive of accrued interest) not less than the amount of such moneys. All other moneys held for the Authority under the Indenture shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds as provided by applicable state law with respect to the investment of public funds.

Application of Subsidy Payments

The Authority covenants in the Twelfth Supplemental Indenture and the Thirteenth Supplemental Indenture to deposit or cause to be deposited with the Trustee promptly upon receipt all collections of Subsidy Payments for application to the payment of the next interest due on the 2009A Bonds and the 2009B Bonds. The Authority further covenants that subject to its right to elect to apply collections of the Subsidy Payments to purposes other than the payment of interest, as described below, the Authority will take all actions required by law or applicable regulations as necessary to provide for the collection to the fullest extent possible of the Subsidy Payments and will take no action or fail to take any action which in any way would materially adversely affect the ability of the Authority to collect the Subsidy Payments to the fullest extent possible.

Notwithstanding the covenant described in the preceding paragraph, the Authority may elect to apply collections of the Subsidy Payments to purposes other than the payment of interest with respect to the 2009A Bonds and the 2009B Bonds. If the Authority so elects, the Authority will provide written notice to the Trustee (i) that it will no longer deposit or cause to be deposited with the Trustee some or all of the collections of the Subsidy Payments and (ii) of the first interest payment date with respect to which the Subsidy Payments will not be deposited (the "**Payment Termination Date**"), which written notice shall be accompanied by the following:

(i) A certificate of an Authorized Officer demonstrating that the Net Revenues as reflected in the books of the Authority for a period of 12 consecutive calendar months out of the 18 calendar months next preceding the Payment Termination Date exceeded the Net Revenue Requirement for that 12-month period; provided that if any adjustment of toll rates shall have been placed in effect during that 12-month period, Net Revenues shall reflect the Revenues which the Traffic Engineers estimate in their certificate described in paragraph (iii) below would have resulted had such toll rate adjustment been in effect for the entire 12-month period;

(ii) A certificate of the Traffic Engineers stating whether, to the best of their knowledge, any Federal, State or other agency has begun, or is then projecting or planning, the construction, improvement or acquisition of any highway or other facility which, in the opinion of the Traffic Engineers, may be materially competitive with any part of the Tollway System, and the estimated date of completion of such construction, improvement or acquisition;

(iii) A certificate of the Traffic Engineers setting forth estimates of toll receipts for the then current and each future Fiscal Year to and including the fifth full Fiscal Year after the Payment Termination Date. The estimates will give effect to (A) the completion as estimated of any Project not yet completed, (B) the assumption that any competitive highway or other facility referred to in their certificate described in subparagraph (ii) above will be completed on the date so estimated as provided in said subparagraph (ii) and will subsequently be in operation during the period covered by such estimates, (C) any adjustment of toll rates which will have been placed in effect subsequent to the beginning of the 12-month period referred to in the certificate of an Authorized Officer described in paragraph (i), above, as if such toll rate adjustment had been in effect from the beginning of the period covered by such estimate until the effective date of any subsequent adjustment presumed necessary and (D) any adjustment of toll rates which, in the opinion of the Traffic Engineers, would be necessary to comply with the provisions of the toll covenant described under "**Security and Sources of Payment for the 2019B Bonds – Toll Covenant**," as if such adjustment were to be in effect from its effective date to the effective date of any other such adjustment;

(iv) A certificate of the Consulting Engineers setting forth for the years and on the assumptions specified in the certificate of the Traffic Engineers described in paragraph (iii) above, estimates of the Operating Expenses and Renewal and Replacement Deposits; and

(v) A certificate of an Authorized Officer setting forth the estimated Net Revenues (based on the certificates described in paragraphs (iii) and (iv) above) for the current and each future Fiscal Year through the fifth full Fiscal Year after the Payment Termination Date, and stating that such estimated Net Revenues for each such Fiscal Year equal or exceed the estimated Net Revenue Requirement for such Fiscal Year.

ADDITIONAL INDEBTEDNESS

The Indenture permits the issuance of additional indebtedness, including (a) Senior Bonds on a parity with the Outstanding Senior Bonds, including the 2019B Bonds, (b) Junior Bonds, and (c) Subordinated Indebtedness.

Senior Bonds. Additional Senior Bonds may be incurred for the purposes of (a) paying the Costs of Construction of any Project, (b) refunding or prepaying, including at or prior to maturity any (i) Senior Bonds or (ii) any other obligation of the Authority issued or entered into for purposes for which Senior Bonds may be issued, including paying related costs of issuance, costs of redemption of refunded bonds, capitalized interest, Costs of Credit Enhancement or Costs of Hedge Agreements or termination payments with respect to Credit Enhancements or Hedge Agreements becoming effective on or after the execution and delivery of the Seventh Supplemental Indenture, (c) making deposits to the Debt Reserve Account or acquiring a Reserve Account Credit Facility, (d) paying interest on any Bond, (e) paying any costs of issuing Senior Bonds or (f) paying Costs of Credit Enhancement or Costs of Qualified Hedge Agreements for the Additional Senior Bonds. A description of the requirements relating to the incurrence of additional indebtedness follows:

Senior Bonds may be issued on a parity with the Outstanding Senior Bonds, for a Project, *provided*, among other things that the Authority certifies that (1) Net Revenues as reflected in the books of the Authority for a period of 12 consecutive calendar months out of the 18 calendar months next preceding such issuance (as adjusted to reflect any adjustments of toll rates made during such 12-month period as if such toll rates had been in effect for the entire 12-month period) exceeded the Net Revenue Requirement for such 12-month period; (2) estimated Net Revenues (based on certificates of the Traffic Engineers and Consulting Engineers) for the current and each future Fiscal Year through the fifth full Fiscal Year after the estimated date when each Project for which Additional Senior Bonds are being issued will be placed in service, and in any case, to and including the fifth full Fiscal Year after the date of issuance of such Additional Senior Bonds, shall be at least equal to the estimated Net Revenue Requirement for such Fiscal Year; and (3) if such Additional Senior Bonds are being issued to pay Costs of Construction of a Project, the amount of the proceeds of the proposed Bonds, which may be issued in one or more Series, together with other funds then available or expected to be available, will be sufficient to pay the remainder of the Cost of Construction of such Project as scheduled. For purposes of estimating Net Revenues and determining the Net Revenue Requirement, the Authority shall rely on estimates of the Traffic Engineers with respect to toll receipts (as further described below) and on estimates of the Consulting Engineers with respect to Operating Expenses, budgeted or projected Renewal and Replacement Deposits and the costs and completion dates of Projects. In addition, the Traffic Engineers are required to certify whether, to the best of their knowledge, any Federal, state or other agency has begun or is then projecting or planning, the construction, improvement or acquisition of any highway or other facility that, in the opinion of the Traffic Engineers, may be materially competitive with any part of the Tollway System and the estimated date of completion of such construction, improvement or acquisition. The estimates of the Traffic Engineers shall give effect to (i) the completion as estimated of any Project not yet completed, (ii) the assumption that any competitive highway or other facility referred to in the certificate described in the preceding sentence will be completed on the date so estimated and subsequently be in operation during the period covered by such estimates, (iii) any adjustment of the toll rates that became effective subsequent to the beginning of the 12-month period described in clause (1) of the first sentence of this paragraph, as if such toll rate adjustment had been in effect from the beginning of the period covered by such estimate until the effective date of any subsequent adjustment presumed necessary and (iv) any adjustment of toll rates which, in the opinion of the Traffic Engineers, would be necessary to comply with the toll covenant described under "**SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS – Toll Covenant**" as if such adjustment was to be in effect from its effective date to the effective date of any other adjustment.

One or more series of Senior Bonds may be issued on a parity with the Outstanding Senior Bonds for the purpose of completing a Project for which Senior Bonds were previously issued without meeting the test described above, *provided* that the Trustee receives a certificate of the Consulting Engineers stating (i) the purpose for which the Additional Bonds are to be issued, which shall be to complete a Project for which Senior Bonds have been issued, without material change in scope, (ii) that the amount of available proceeds of the Additional Senior Bonds issued for the purposes of completing the Project, together with other funds of the Authority then available or expected to be available for completing the Project, including proceeds of one or more other Series of Additional Bonds to be issued for such purpose, will be sufficient, in their opinion, to pay the cost of completion of the Project; and (iii) that the amount of proceeds of such Additional Senior Bonds available for completing the Project will not exceed 10% of the total estimated Costs of Construction as provided in the Certificate of the Consulting Engineers provided for the Additional Senior Bonds previously issued for that Project.

Senior Bonds may be issued on a parity with the Outstanding Senior Bonds for the purpose of refunding Outstanding Senior Bonds (including paying related Costs of Issuance, deposits to the Debt Reserve Account, capitalized interest or Costs of Credit Enhancement or Costs of Qualified Hedge Agreements for the Additional Senior Bonds) without meeting the test described in the second paragraph under the subheading "Senior Bonds" if there is received by the Trustee (i) a Counsel's Opinion that upon issuance of the Additional Senior Bonds and application of their proceeds as provided in the authorizing Supplemental Indenture, provision for payment of the refunded Senior Bonds will have been made in accordance with the defeasance provisions of the Indenture; and (ii) the certificate of an Authorized Officer demonstrating (A) for each Fiscal Year in which any Senior Bonds (other than Additional Senior Bonds to be issued) will be Outstanding after the refunding that the Debt Service for the Additional Senior Bonds to be issued will not be greater than 105% of the Debt Service for the Senior Bonds to be refunded and (B) that the aggregate Principal Installments and interest payable in all those Fiscal Years on the Additional Senior Bonds to be issued is less than the aggregate Principal Installments and interest that would have been payable on the Senior Bonds to be refunded, assuming all Sinking Fund Installments are made as provided in the Supplemental Indentures for Senior Bonds.

Junior Bonds. One or more Series of Junior Bonds may be issued as authorized by the Authority by a Supplemental Indenture for any purpose for which Senior Bonds may be issued. Any such Supplemental Indenture shall make provision for the establishment of any Junior Bond Debt Service Account or Accounts and any Junior Bond Debt Reserve Account with respect to any or all Series of Junior Bonds and for the amounts of Net Revenues to be deposited in such Accounts. Any such Supplemental Indenture may grant a lien on and pledge for the payment of principal of and interest on Junior Bonds or reimbursing Providers of Credit Enhancement or Hedge Agreements for Junior Bonds for amounts applied by such Provider to pay such principal or interest, of the (i) Net Revenues to be deposited in any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account, (ii) amounts on deposit from time to time in Junior Bond Debt Service Accounts and Junior Bond Debt Reserve Accounts, (iii) amounts on deposit from time to time in the Renewal and Replacement Account, the Improvement Account and the System Reserve Account and (iv) any other funds, accounts, property or receipts other than Revenues or Funds or Accounts established by the Indenture or a Supplemental Indenture solely for the benefit of Senior Bonds. Any such pledge or lien on Net Revenues and the amounts on deposit from time to time in the Renewal and Replacement Account, the Improvement Account and the System Reserve Account shall be subordinate to the pledge and lien made and granted by the Indenture for Senior Bonds. A Supplemental Indenture providing for the issuance of any Series of Junior Bonds may provide for "events of default" with respect to such Junior Bonds and remedies arising from such "events of default." Such a remedy may include acceleration of the maturity of any Junior Bonds, but only upon not less than sixty days' written notice to the Trustee. No remedy shall be contrary to the rights or remedies provided to Holders of Senior Bonds under the Indenture.

Subordinated Indebtedness. Subordinated Indebtedness may be issued for any purpose for which Bonds may be issued under the Indenture, which Subordinated Indebtedness may be payable, pursuant to the authorizing instrument, from amounts on deposit in, and secured by a pledge of and lien on amounts payable from, the System Reserve Account.

Other Indebtedness. Other indebtedness issued for any lawful Authority purpose may be payable, pursuant to the authorizing instrument, from amounts on deposit in the System Reserve Account. The Authority may also issue evidences of indebtedness payable from moneys in the Construction Fund as part of the Cost of Construction for any Project, or payable from, or secured by the pledge of, Revenues to be derived on and after such date as the pledge of Net Revenues provided in the Indenture shall be discharged and satisfied. The Authority reserves the right to issue bonds or other evidences of indebtedness for any purpose payable from or secured by funds or sources other than Revenues or moneys on deposit with the Trustee or the Authority under the Indenture.

HEDGING TRANSACTIONS

If the Authority shall enter into any Qualified Hedge Agreement with respect to any Senior Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into to provide substitute amounts or limits of the interest due with respect to those Senior Bonds, then during the term of the Qualified Hedge Agreement and so long as the Provider of the Qualified Hedge Agreement is not in default:

(a) for purposes of any calculation of Debt Service, the interest rate on the Senior Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Senior Bonds had interest payments equal to the interest payable on those Senior Bonds less any payments to the Authority from the Provider and plus any payments by the Authority to the Provider as provided by the Qualified Hedge Agreement (other than fees or termination payments of such Provider for providing the Qualified Hedge Agreement);

(b) any such payments (other than fees and termination payments) required to be made by the Authority to the Provider pursuant to such Qualified Hedge Agreement may be made from amounts on deposit to the credit of the Interest Sub-Account; and

(c) any such payments received by the Authority from the Provider pursuant to such Qualified Hedge Agreement shall be deposited to the credit of the Interest Sub-Account.

If the Authority shall enter into a Hedge Agreement that is not a Qualified Hedge Agreement, then:

(a) the interest rate adjustments or assumptions referred to above shall not be made;

(b) any payments required to be made by the Authority to the Provider pursuant to such Hedge Agreement shall be made only from amounts on deposit to the credit of the System Reserve Account; and

(c) any payments received by the Authority from the Provider pursuant to such Hedge Agreement shall be treated as Revenues and shall be deposited to the credit of the Revenue Fund.

REMOVAL OR MERGER OR CONSOLIDATION OF TRUSTEE

The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by the Authority and the Treasurer; *provided*, *however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Authority and the Treasurer only with the written concurrence of the Holders of a majority in principal amount of Senior Bonds and the Holders of a majority in principal amount of Junior Bonds then Outstanding.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all corporate trust business of the Trustee may be sold or transferred shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of resignation pursuant to the terms of the Indenture.

COVENANTS

Sale, Lease or Encumbrance of Property. The Authority will not sell, lease or otherwise dispose of or encumber the Tollway System or any part thereof and will not create or permit to be created any charge or lien on the Revenues, except as permitted under the Indenture including certain instances generally relating to utilities and concessions if the Authority determines that such sale, lease, contract, license, easement or right does not impede or restrict the operation by the Authority of the Tollway System. The Authority may from time to time sell, exchange or otherwise dispose of any real or personal property or release, relinquish or extinguish any interest therein as the Authority shall determine is not needed in connection with the maintenance and operation of the Tollway System and, in the case of real property or any interest therein, will not in the future be needed for any foreseeable improvement to the Tollway System.

Notwithstanding the provisions of the preceding paragraph, upon receipt of consent of the Holders of Bonds and Providers as described under "Supplemental Indentures" in this ***APPENDIX D*** and under "**SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS – Certain Amendments to the Indenture –** ***Amendment Requiring Bondholder Consent***," to the extent permitted by law, the Authority may sell, lease, convey, mortgage, encumber or otherwise dispose, directly or indirectly, all or a portion of the Tollway System or transfer, directly or indirectly, control, management or oversight, or any material aspect of control, management or oversight of the Tollway System, whether of its properties, interests, operations, expenditures, revenues or otherwise (any of the foregoing being referred to as a "**Transfer**"). Any Transfer may be part of a transaction in which the Authority enters into a leaseback or other agreement that directly or indirectly gives the Authority a right to control, manage, use and possess the Tollway System.

In connection with any Transfer, the Authority must provide to the Trustee the following:

(i) a certified copy of a resolution of the Authority authorizing and approving the Transfer;

(ii) evidence that the Transfer will not adversely affect the rating on any Bonds Outstanding immediately prior to the Transfer issued by a rating agency then maintaining a rating on such Bonds;

(iii) an opinion of nationally recognized bond counsel selected by the Authority to the effect that the Transfer (i) complies with the provisions of the Act and the Indenture and (ii) will not cause interest on any Senior Bonds or Junior Bonds Outstanding immediately prior to the Transfer or on any Subordinated Indebtedness to become subject to federal income taxation;

(iv) a Certificate of the Traffic Engineers (A) stating whether, to the best of their knowledge, any Federal, State or other agency is then projecting or planning the construction, improvement, or acquisition of any highway or other facility which, in the opinion of the Traffic Engineers, may be materially competitive with the Tollway System as constituted following the Transfer (the Tollway System as constituted following the Transfer being referred to as the "Remaining Tollway System") and the estimated date of completion of such highway or other facility, and (B) setting forth estimates of toll receipts derived from the Remaining Tollway System for the then current and each of the next ten (10) Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, giving effect, with respect to the

Remaining Tollway System, to the factors considered by the Traffic Engineers in delivering their certificates described above under "**Additional Indebtedness – *Senior Bonds***";

(v) a Certificate of the Consulting Engineers setting forth, for the years and on the assumptions specified in the Certificate of the Traffic Engineers delivered pursuant to clause (iv) above, estimates of Operating Expenses and the Renewal and Replacement Deposits for the Remaining Tollway System, giving effect, with respect to the Remaining Tollway System, to the factors considered by the Consulting Engineers in delivering their certificate described above under "**Additional Indebtedness – *Senior Bonds***"; and

(vi) a Certificate of any Authorized Officer setting forth (i) the Aggregate Debt Service and the Junior Bond Revenue Requirement (excluding, in each case, bond interest, the payment of which shall have been provided by payments or deposits from Bond proceeds) allocable to the Remaining Tollway System (determined as described below, the Aggregate Debt Service and the Junior Bond Revenue Requirement for each Fiscal Year so allocated being referred to as the "Remaining Tollway System Debt Service") for the next preceding eighteen months, (ii) the Remaining Tollway System Debt Service for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur and (iii) the Net Revenues allocable to the Remaining Tollway System (determined as described below, the Net Revenues so allocated being referred to as the "Remaining Tollway System Net Revenues") for the next preceding eighteen months; and stating (a) that Remaining Tollway System Net Revenues have equaled at least one and one-half (1.5) times the Remaining Tollway System Debt Service for any twelve (12) consecutive months of the preceding eighteen (18) months, (b) that the Remaining Tollway System Net Revenues (based on the certificates filed pursuant to clauses (iv) and (v) above) for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, will be not less than the greater of (I) one and one-half (1.5) times the Remaining Tollway System Debt Service for each such Fiscal Year and (II) the sum of the Remaining Tollway System Debt Service and the Renewal and Replacement Deposit for each such Fiscal Year, (c) that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bonds or the Indenture and (d) that the amount in the Debt Reserve Account is at least equal to the Debt Reserve Requirement and the amount in any Junior Bond Debt Reserve Account established pursuant to a Supplemental Indenture authorizing Junior Bonds is at least equal to any requirement for such Account established by the related Supplemental Indenture.

The determination of the Remaining Tollway System Debt Service and the Remaining Tollway System Net Revenues shall be made (i) to the extent determinable, by reference to the actual financial records of the Authority showing (A) Net Revenues generated by the Remaining Tollway System and (B) the Remaining Tollway Debt Service allocable to the Remaining Tollway System, or (ii) if not so determinable, by any reasonable methodology generally incorporating the assumptions of the Traffic Engineers and Consulting Engineers described above. Such determinations may be based, without limitation, by a pro rata method based on such financial results.

All proceeds received by the Authority in connection with a Transfer may be applied by the Authority to any lawful purpose designated by resolution of the Authority.

Annual Budget. The Authority is required to prepare and adopt on or before January 31 of each Fiscal Year the Annual Budget for such Fiscal Year. The Authority may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. Copies of the Annual Budget and of any amended Annual Budget shall be promptly filed with the Trustee, for inspection by Bondholders.

Operation and Maintenance of the Tollway System. The Authority covenants at all times to operate or cause to be operated the Tollway System properly and in a sound and economical manner and to maintain, preserve, reconstruct and keep the Tollway System or cause the Tollway System to be so maintained, preserved, reconstructed and kept so that at all times the operation of the Tollway System may be properly and advantageously conducted.

Maintenance of Insurance. The Authority is required to maintain, to the extent reasonably obtainable, the following kinds of insurance in amounts recommended by the Consulting Engineers or determined by the Authority: multi-risk insurance on the facilities of the Tollway System; use and occupancy insurance covering loss of Revenues by reason of necessary interruption, total or partial, in the use of facilities of the Tollway System; public liability insurance covering injuries to persons or property; during the construction or reconstruction of any portion of the facilities of the Tollway System, such insurance as is customarily carried by others with respect to similar structures used for similar purposes, *provided* that the Authority shall not be required to maintain any such insurance to the extent that such insurance is carried for the benefit of the Authority by contractors.

The Authority, with the approval of the Consulting Engineers, may adopt self-insurance programs in lieu of maintaining any of the foregoing types of insurance. Each self-insurance program shall include an actuarially sound reserve fund, if any, as recommended by the Consulting Engineers, out of which claims are to be paid. The adequacy of such fund shall be evaluated not later than ninety (90) days after the end of each insurance year. Deficiencies in any such reserve fund shall be made up in accordance with the recommendations of the Consulting Engineers. In the event a self-insurance program is discontinued, the actuarial soundness of any related reserve fund, as recommended by the Consulting Engineers, shall be maintained. With respect to any workers' compensation self-insurance program, any such reserve fund shall be held as required by law.

EVENTS OF DEFAULT

Each of the following events constitutes an "Event of Default" with respect to Senior Bonds under the Indenture:

(1) default in the due and punctual payment of the principal or Redemption Price of any Senior Bond, when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise; *provided*, *however*, that the failure to retire the entire scheduled amount of Bonds through the application of any Sinking Fund Installment shall not constitute an Event of Default;

(2) default in the due and punctual payment of interest on any Senior Bond, when and as such interest shall become due and payable;

(3) default in the performance or observance by the Authority of the toll covenant (see "**SECURITY AND SOURCES OF PAYMENT FOR THE 2019B BONDS – Toll Covenant**");

(4) receipt of a written declaration of an Event of Default by Holders of not less than 10% of the principal amount of the Senior Bonds (or at least 50% of the principal amount of any Series of Senior Bonds) upon receipt of the Trustee of a notice of the acceleration of the maturity of any Junior Bonds as provided in the Indenture;

(5) default in the performance or observance by the Authority of any other of the covenants, agreements or conditions in the Indenture or in any Bonds, and such default shall continue for a period of sixty (60) days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than 20% in principal amount of the Senior Bonds Outstanding;

(6) if the Authority shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State of Illinois;

(7) if any part of the Tollway System shall be damaged or destroyed to the extent of impairing its efficient operation and materially and adversely affecting the Revenues, and the Authority shall not have taken reasonable steps to promptly repair, replace, reconstruct or provide a reasonable substitute for the damaged or destroyed part of the Tollway System; or

(8) if an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of the Tollway System, or any part thereof, or of the tolls or other revenues therefrom; or if such order or decree entered without the consent or acquiescence of the Authority shall not be vacated or stayed within ninety (90) days after the entry thereof.

If an Event of Default occurs and is not remedied, unless the principal of all Senior Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Authority) or the Holders of not less than a majority in aggregate principal amount of the Senior Bonds Outstanding (by notice in writing to the Authority and the Trustee), may declare the principal of all the Senior Bonds then Outstanding, and the interest accrued on them, to be due and payable immediately.

Application of Revenues and Other Moneys after Default. If an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by the Authority in any Fund, Account, Sub-Account or revolving fund pursuant to the terms of the Indenture, and (ii) all Revenues as promptly as practicable after receipt thereof.

During the continuance of an Event of Default, the Trustee shall apply such moneys, securities, funds and Revenues and the income therefrom as follows and in the following order: (1) to the payment of the reasonable and proper charges and expenses of the Trustee; (2) to the payment of the amounts required for reasonable and necessary Operating Expenses and for the reasonable renewals, repairs and replacements of the Tollway System necessary to prevent loss of Revenues; (3) to the payment of the principal of, Redemption Price and interest on the Bonds then due in the priority set forth in the Indenture. If the principal of all the Senior Bonds shall have been declared due and payable, the Trustee shall apply available sources of payment first to the ratable payment of the principal and interest then due and unpaid upon the Senior Bonds, and second to the ratable payment of the principal and interest then due and unpaid upon the Junior Bonds.

Proceedings Brought by Trustee. If an Event of Default shall happen and shall not have been remedied, then the Trustee may proceed, and upon written request of the Holders of not less than 20% in principal amount of Senior Bonds Outstanding, shall proceed to protect and enforce its rights and the rights of the Holders of the Bonds under the Indenture as the Trustee shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

The Holders of not less than a majority in principal amount of Senior Bonds at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the enforcement of any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

Regardless of the happening of an Event of Default, the Trustee shall have the power, but unless requested in writing by the Holders of a majority in principal amount of the Senior Bonds then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under the Indenture and to preserve or protect its interests and the interests of the Bondholders.

Notwithstanding any provision of the Indenture, the Act provides that owners of any bonds issued by the Authority may bring civil actions to compel the observance by the Authority or by any of its officers, agents, or employees of any contract or covenant made by the Authority with the owner of such bonds. Further, the Act permits, notwithstanding any provision of the Indenture, owners of any bonds to bring civil actions to compel the Authority and any of its officers, agents or employees, to perform any duties required to be performed for the benefit of the owners of such bonds by the provisions of the resolution authorizing their issuance, or by the Act or to enjoin the Authority and any of its officers, agents or employees from taking any action in conflict with such contract or covenant.

SUPPLEMENTAL INDENTURES

The Authority and the Trustee may without the consent of, or notice to, any of the Bondholders, enter into Supplemental Indentures not inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes: (1) to authorize Senior Bonds or Junior Bonds; (2) to close the Indenture against, or impose additional limitations or restrictions on the issuance of Bonds or other notes, bonds, obligations or other evidences of indebtedness; (3) to impose additional covenants or agreements to be observed by, or to impose other limitations or restrictions on, the Authority; (4) to surrender any right, power or privilege reserved to or conferred upon the Authority by the Indenture; (5) to confirm, as further assurance, any pledge of or lien upon the Revenues or any other moneys, securities or funds; (6) to cure any ambiguity, omission or defect in the Indenture; (7) to provide for the appointment of a successor Fiduciary; and (8) to make any other change that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

Except for Supplemental Indentures described in the preceding paragraph, any modification or amendment of the Indenture and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder may be made with the written consent of the Holders of at least a majority in principal amount of Senior Bonds of all Outstanding Series which are affected and of the Holders of at least a majority in principal amount of the Junior Bonds of all Outstanding Series which are affected at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds, or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of each such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Notwithstanding any other provision of the Indenture, in issuing any Bonds the Authority may consent to any modification or amendment to the Indenture that may be adopted by consent of the required percentage of Holders of Bonds. That consent shall, upon the issuance of those Bonds, constitute the irrevocable consent of the Holders of those Bonds.

DEFEASANCE

If the Authority shall pay or cause to be paid or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the Indenture and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the escrow agent at or prior to their maturity or redemption date shall be deemed to have been paid if the Authority shall have delivered to or deposited with the escrow agent (a) irrevocable instructions to pay or redeem all of said Bonds, (b) irrevocable instructions to publish or mail the required notice of redemption of any Bonds so to be redeemed, (c) either moneys in an amount that shall be sufficient or direct obligations of or obligations unconditionally guaranteed by the United States of America the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, and (d) if any of said Bonds are not to be redeemed within the next succeeding sixty (60) days, irrevocable instructions to give notice, as provided in the Indenture, that such deposit has been made with the Trustee and such Bonds are deemed to have been paid under the Indenture.

TWENTY-EIGHTH SUPPLEMENTAL INDENTURE

The 2019B Bonds are authorized and issued pursuant to the Twenty-Eighth Supplemental Indenture and the Indenture. The terms of the 2019B Bonds are generally described in this Official Statement under the caption "**DESCRIPTION OF THE 2019B BONDS**." The proceeds of the 2019B Bonds are required by the Twenty-Eighth Supplemental Indenture to be used for the purposes described in this Official Statement under the captions "**PLAN OF FINANCE**" and "**ESTIMATED SOURCES AND APPLICATIONS OF FUNDS**."

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APPENDIX E

BOOK-ENTRY SYSTEM

The Depository Trust Company ("**DTC**"), New York, New York, will act as securities depository for the 2019B Bonds. The 2019B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the 2019B Bonds, each in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019B Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019B Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2019B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the 2019B Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2019B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019B Bonds, such as tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners may wish to ascertain that the nominee holding the 2019B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2019B Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2019B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2019B Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2019B Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and neither the Authority nor the Underwriters take any responsibility for the accuracy of such information.

Neither the Authority nor any Fiduciary will have any responsibility or obligation to DTC, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by DTC or any Participant; (ii) the payment by DTC or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Bonds; (iii) the delivery of any notice by DTC or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the 2019B Bonds; or (v) any other action taken by DTC or any Participant.

In reading this Official Statement it should be understood that while the 2019B Bonds are in the Book-Entry System, references in this Official Statement to registered owners should be read to include the Beneficial Owner, but (a) all rights of ownership must be exercised through DTC and the Book-Entry System and (b) notices that are to be given to registered owners by the Authority or the Trustee will be given only to DTC.

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

[Date of issuance of 2019B Bonds]

The Illinois State Toll Highway Authority
Downers Grove, Illinois

The Bank of New York Mellon
Trust Company, N.A., as Trustee
Chicago, Illinois

Ladies and Gentlemen:

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of The Illinois State Toll Highway Authority (the *"Authority"*) passed preliminary to the issue by the Authority of its fully registered Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding), dated the date hereof, in the aggregate principal amount of $225,245,000 (the *"Series 2019B Bonds"*). The Series 2019B Bonds mature on January 1 of the years and in the amounts and bear interest at the respective rates percent per annum as follows:

YEAR	AMOUNT	INTEREST RATE
2025	$36,670,000	5.000%
2026	35,625,000	5.000%
2027	38,455,000	5.000%
2028	23,295,000	5.000%
2029	26,860,000	5.000%
2030	30,385,000	5.000%
2031	33,955,000	5.000%

Each of the Series 2019B Bonds bears interest (computed on the basis of a 360-day year composed of twelve 30-day months) from its date until paid, such interest being payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2020.

The Series 2019B Bonds are being issued pursuant to an Amended and Restated Trust Indenture effective March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (the *"Amended and Restated Indenture"*), between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A. and The First National Bank of Chicago, as trustee (the *"Trustee"*), and a Twenty-Eighth Supplemental Indenture Providing For Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding), dated as of November 1, 2019 (the *"Twenty-Eighth Supplemental Indenture"* and collectively with the Amended and Restated Indenture, as supplemented and amended to the date hereof, being referred to herein as the *"Indenture."*) The Series 2019B Bonds are issued as Senior Bonds pursuant to the Toll Highway Act of the State of Illinois, as amended (the *"Act"*), a resolution adopted by the Board of Directors of the Authority on April 18, 2019 (the *"Bond Resolution"*) and the Indenture. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Twenty-Eighth Supplemental Indenture.

The Series 2019B Bonds maturing January 1, 2031 are subject to redemption at the election or direction of the Authority on any date on or after January 1, 2030, in whole or in part, and if in part in Authorized Denominations, and in any order of maturity designated by the Authority, at a redemption price of 100 percent of the principal amount of the Series 2019B Bonds called for redemption plus accrued interest, if any, to the redemption date.

The Series 2019B Bonds are issued for the purpose of (i) refunding in advance of maturity a portion of the outstanding Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1 of the Authority and (ii) paying costs related to the issuance of the Series 2019B Bonds.

In our capacity as bond counsel, we have examined, among other things, the following:

(a) a certified copy of the Proceedings evidencing the adoption of the Bond Resolution and authorizing, among other things, the execution and delivery of the Twenty-Eighth Supplemental Indenture and the issuance of the Series 2019B Bonds;

(b) a certified copy of the Bond Resolution;

(c) an executed counterpart of the Indenture; and

(d) an executed counterpart of the Refunding Escrow Agreement dated November 6, 2019, by and between the Authority and the Trustee (the *"Escrow Agreement"*); and

(e) such other certifications, documents, showings and related matters of law as we have deemed necessary in order to render this opinion.

Based upon the foregoing we are of the opinion that:

1. The Authority has full power and authority and has taken all necessary corporate action to authorize the execution and delivery of the Twenty-Eighth Supplemental Indenture and the Escrow Agreement and the issuance of the Series 2019B Bonds.

2. The Indenture, including the Twenty-Eighth Supplemental Indenture, and the Escrow Agreement have each been duly and lawfully executed and delivered by the Authority and, assuming the due authorization, execution and delivery by, and the binding effect on, the Trustee, the Indenture and the Escrow Agreement are valid and legally binding upon the Authority and enforceable in accordance with its terms.

3. The Indenture creates the valid pledge and lien which it purports to create on and in the Revenues, Funds, Accounts and moneys, securities and properties held or set aside under the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

4. The Proceedings show lawful authority for the issuance of the Series 2019B Bonds under the laws of the State of Illinois now in force and the Series 2019B Bonds, to the amount named, are valid and legally binding obligations of the Authority, enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture.

5. The form of Series 2019B Bond prescribed for said issue by the Twenty-Eighth Supplemental Indenture is in due form of law.

6. The Series 2019B Bonds are payable ratably and equally together with all Senior Bonds, as heretofore and as may hereafter be issued, solely and only from and secured by a pledge of and lien on Net Revenues of the Tollway System and amounts on deposit in certain Funds, Accounts and Sub-Accounts established under the Indenture. The Series 2019B Bonds do not represent or constitute debt of the Authority or of the State of Illinois within the meaning of any constitutional or statutory limitation or pledge of the faith and credit of the Authority or the State of Illinois nor grant the owners thereof any right to have the Authority or the State of Illinois levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Series 2019B Bonds.

7. Subject to compliance by the Authority with certain covenants, under present law, interest on the Series 2019B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such Authority covenants could cause interest

on the Series 2019B Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2019B Bonds. Ownership of the Series 2019B Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2019B Bonds.

8. Interest on the Series 2019B Bonds is not exempt from income taxes imposed by the State of Illinois.

The rights of the registered owners of the Series 2019B Bonds and the enforceability of provisions of the Series 2019B Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights. Enforcement of provisions of the Series 2019B Bonds and the Indenture by an equitable or similar remedy is subject to general principles of law or equity governing such a remedy, including the exercise of judicial discretion whether to grant any particular form of relief.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2019B Bonds.

In rendering this opinion, we have relied upon certifications of the Authority with respect to certain material facts within the Authority's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes that may hereafter occur.

Respectfully submitted,

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APPENDIX G

SCHEDULE OF REFUNDED BONDS

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1

Originally issued:	July 1, 2010
Interest Mode:	Fixed
Redemption Date:	January 1, 2020
Redemption Price:	100% plus accrued interest

Maturity Date (January 1)	Principal Amount	Interest Rate	CUSIP (452252)
2020	$ 1,620,000	4.125%	FN4
2021	1,700,000	4.000	FP9
2022	1,740,000	4.000	FQ7
2023	1,825,000	4.125	FR5
2024	1,905,000	4.250	FS3
2025	41,880,000	5.000	FT1
2026	22,500,000	5.000	GA1
2026	18,600,000	5.250	FU8
2027	16,665,000	4.500	FV6
2027	27,585,000	5.000	GB9
2028	29,295,000	5.000	FW4
2029	15,000,000	5.000	FX2
2029	18,160,000	5.250	GC7
2030	37,045,000	5.250	FY0
2031	41,040,000	5.000	FZ7

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THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY • Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding)

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