New Issue – Book-Entry Only **Ratings: See "Ratings."**

Subject to compliance by the Authority with certain covenants, in the opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, under present law, interest on the 2020A 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. Interest on the 2020A Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

$500,000,000
The Illinois State Toll Highway Authority
Toll Highway Senior Revenue Bonds, 2020 Series A

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

This Official Statement contains information relating to The Illinois State Toll Highway Authority ("**Authority**") and the Authority's Toll Highway Senior Revenue Bonds, 2020 Series A ("**2020A Bonds**"). The 2020A 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, "**Amended and Restated Indenture**") from the Authority to The Bank of New York Mellon Trust Company, N.A., as successor trustee ("**Trustee**"), and a Thirtieth Supplemental Indenture dated as of December 1, 2020 by and between the Authority and the Trustee ("**Thirtieth Supplemental Indenture**" and collectively with the Amended and Restated Indenture, "**Indenture**").

The 2020A 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 2020A Bonds. Purchasers of the 2020A Bonds will not receive certificates representing their interests in the 2020A Bonds purchased. Principal of and interest on the 2020A 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 2020A Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the 2020A 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 2020A 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, 2021. As described herein, the 2020A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See **"Description of the 2020A Bonds – Redemption."**

All Bonds issued under the Indenture, including the 2020A 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 2020A Bonds."**

THE 2020A 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 2020A 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 Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel. Certain legal matters in connection with the 2020A 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, Hardwick Law Firm, LLC, 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 2020A Bonds in definitive form will be available for delivery to DTC on or about December 17, 2020.

Siebert Williams Shank & Co., LLC **RBC Capital Markets**

PNC Capital Markets, LLC **Wells Fargo Securities**

Cabrera Capital Markets, LLC **Mesirow Financial, Inc.** **Rice Financial Products Company** **Stifel**

Dated: December 1, 2020

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

$ 500,000,000
The Illinois State Toll Highway Authority
Toll Highway Senior Revenue Bonds, 2020 Series A

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP (452252)[†]
2036	$4,500,000	5.00%	1.49%[C]	132.614[C*]	PJ2
2037	5,000,000	5.00%	1.55%[C]	131.959[C*]	PK9
2038	5,400,000	5.00%	1.60%[C]	131.415[C*]	PL7
2039	12,100,000	5.00%	1.65%[C]	130.874[C*]	PM5
2040	17,000,000	5.00%	1.69%[C]	130.444[C*]	PN3
2041	80,000,000	5.00%	1.73%[C]	130.015[C*]	PP8

$376,000,000 5.00% Term Bonds due January 1, 2045; Yield 1.87%[C]; Price 128.526[C], CUSIP[†] 452252 PQ6

[C] Priced to first optional redemption date of January 1, 2031 at par. Yield is yield to the first call date.

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

DIRECTORS

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	Scott Paddock
Stephen L. Davis	Gary Perinar
Alice Gallagher	James Sweeney
Karen McConnaughay	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

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EXECUTIVE STAFF

Willard S. Evans, Jr. Chief Executive Officer	José Alvarez Executive Director	Derek Messier Chief Operating Officer
Cathy R. Williams Chief Financial Officer	Paul Kovacs Chief Engineering Officer	Kathleen R. Pasulka-Brown Assistant Attorney General and General Counsel

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MUNICIPAL ADVISORS

PFM Financial Advisors LLC

Backstrom McCarley Berry & Co., LLC

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 2020A 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 2020A 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 set forth 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 statements 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 statements are based.

IN CONNECTION WITH THE OFFERING OF THE 2020A BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2020A 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

$500,000,000
THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
Toll Highway Senior Revenue Bonds, 2020 Series A

INTRODUCTORY STATEMENT

This Official Statement sets forth certain information concerning The Illinois State Toll Highway Authority ("**Authority**"), the Tollway System (as defined in this Official Statement) and the Authority's $500,000,000 Toll Highway Senior Revenue Bonds, 2020 Series A ("**2020A Bonds**"). The 2020A Bonds will be issued pursuant to the Toll Highway Act, 605 ILCS 10/1, *et seq*., as amended ("**Act**"), resolutions adopted by the Authority on February 22, 2018 and October 15, 2020, authorizing the issuance of the 2020A Bonds, and a Thirtieth Supplemental Indenture dated as of December 1, 2020 ("**Thirtieth 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, "**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 ("**Trustee**"). The Amended and Restated Indenture, as supplemented, amended and restated from time to time, including by the First through the Thirtieth Supplemental Indentures and the 1996 Amendatory Supplemental Indenture dated as of September 1, 1996, is referred to herein as the "**Indenture**." Purchasers of the 2020A Bonds will be deemed to have consented to certain amendments to the Indenture including those defined herein as the "Transfer Amendment" and the "Reserve Account Credit Facility Amendment." See "**SECURITY AND SOURCES OF PAYMENT FOR THE 2020A BONDS – Certain Amendments to the Indenture**" and **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ADDITIONAL COVENANTS –** *Sale, Lease or Encumbrance of Property*" and "– **Flow of Funds –** *Debt Reserve Account*."

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 2020A Bonds are being issued under the Indenture to provide funds that will be used to: (a) finance the costs of capital improvements to be made to the Tollway System as part of the Move Illinois Program described herein (**"Project"**), (b) make a deposit to the Debt Reserve Account created under the Indenture necessary in order that amounts held thereunder are not less than the Debt Reserve Requirement calculated in accordance with the Indenture, and (c) pay costs of issuance in connection with issuance of the 2020A Bonds. See "**PLAN OF FINANCE**," and "**ESTIMATED SOURCES AND APPLICATIONS OF FUNDS**".

The 2020A Bonds will be secured on a parity basis with other Senior Bonds of the Authority. After the issuance of the 2020A Bonds senior bonds will consist of the following: (a) $400,000,000 aggregate principal amount Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (Build America Bonds – Direct Payment) ("**2009A Bonds**"); (b) $280,000,000 aggregate principal amount Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series B (Build America Bonds – Direct Payment) ("**2009B Bonds**"); (c) $500,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2013 Series A ("**2013A Bonds**"); (d) $198,585,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series A (Refunding) ("**2014A Bonds**"); (e) $500,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series B ("**2014B Bonds**"); (f) $400,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series C ("**2014C Bonds**"); (g) $223,475,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series D (Refunding) ("**2014D Bonds**"); (h) $400,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2015 Series A ("**2015A Bonds**"); (i) $400,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2015 Series B ("**2015B Bonds**"); (j) $333,060,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2016 Series A (Refunding) ("**2016A Bonds**"); (k) $300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2016 Series B ("**2016B Bonds**"); (l) $300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2017 Series A ("**2017A Bonds**"); (m) $498,125,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2018 Series A (Refunding) ("**2018A Bonds**"); (n) $300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2019 Series A ("**2019A Bonds**"); (o) $225,245,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding) ("**2019B Bonds**"); (p) $697,870,000 aggregate principal amount Toll

Highway Senior Revenue Bonds, 2019 Series C (Refunding) (**"2019C Bonds"**); and (q) $500,000,000 aggregate principal amount 2020A Bonds (collectively, "**Senior Bonds**"). After the issuance of the 2020A Bonds, the Senior Bonds will be outstanding in the aggregate principal amount of $6,456,360,000.

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 2020A 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

The Project

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, "**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. As of the date of this Official Statement, the Authority's Move Illinois Program is projected to be completed in 2027 at a projected total cost to the Authority of $14.1 billion. For additional detail on the projects included as part of the Move Illinois Program, see "**THE CAPITAL PROGRAMS – The Move Illinois Program**" and **Appendix B - "Consulting Engineer's Report."**

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 (i) proceeds from an estimated $2.55 billion aggregate principal amount of Additional Senior Bonds (which includes the 2020A Bonds), and (ii) other Authority funds. A resolution by 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. A resolution by the Authority adopted on October 15, 2020 authorized the issuance of $100 million of Additional Senior Bonds to fund a portion of the Move Illinois Program. The 2020A Bonds are being issued pursuant to the $400 million of authorization remaining from the resolution adopted February 22, 2018 and the $100 million of authorization from the resolution adopted October 15, 2020.

In addition to the 2020A Bonds, the Authority also currently expects to issue, as Additional Senior Bonds on a parity with the 2020A Bonds and all Senior Bonds currently outstanding, approximately $2.05 billion aggregate principal amount of Additional Senior Bonds to finance a portion of the costs of the Move Illinois Program, consisting of approximately $1.2 billion of bonds issued during the years 2021-2022 and approximately $850 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.

In May 2020, the Authority authorized the issuance of up to $900 million aggregate principal amount of Additional Senior Bonds to refund all or portions of the 2013A Bonds and 2014B Bonds, in order to reduce debt service. This authorization of refunding bonds is scheduled to expire December 31, 2021. The Authority is considering issuance of a portion of such bonds to refund all or a portion of its 2013A Bonds within a month of the issuance of the 2020A Bonds.

The Authority may, from time to time in the future, extend or supplement the authorizations described in the preceding paragraphs. The Authority may adopt new authorizations for additional indebtedness or hedging instruments in connection with future bonds. Issuance of additional indebtedness or hedging instruments 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**."

ESTIMATED SOURCES AND APPLICATIONS OF FUNDS

The estimated sources and applications of the 2020A Bonds and other available funds are set forth below:

SOURCES	
Principal Amount of 2020A Bonds	$500,000,000.00
Original Issue Premium	$144,942,984.00
TOTAL	$644,942,984.00
APPLICATIONS	
Deposit to 2020A Construction Sub-Account	$624,715,618.77
Deposit to Debt Reserve Account	$ 18,396,663.63
Costs of Issuance(1)	$ 1,830,701.60
TOTAL	$644,942,984.00

(1)Includes underwriters' discount, legal, financial advisory, rating agency and Trustee fees.

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DESCRIPTION OF THE 2020A BONDS

General

The 2020A Bonds will be issued in the aggregate principal amount of $500,000,000 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 and mandatory sinking fund redemption as set forth below.

Interest on the 2020A Bonds; Payment; Authorized Denominations

The 2020A 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, 2021.

The principal or Redemption Price of the 2020A Bonds shall be payable in lawful money of the United States of America upon surrender of such 2020A Bonds to the Trustee at the designated corporate trust office of the Trustee. Interest on the 2020A 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 2020A Bonds who so elects, by wire transfer of funds.

The 2020A Bonds will be issued in denominations of $5,000 and integral multiples of such amount ("**Authorized Denomination**").

Redemption of 2020A Bonds

Optional Redemption. The 2020A Bonds are subject to redemption at the option of the Authority on any date on or after January 1, 2031, 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 2020A Bonds called for redemption plus accrued interest, if any, to the redemption date.

Sinking Fund Redemption. The 2020A Bonds maturing on January 1, 2045 ("**Term Bonds**") are subject to mandatory redemption pursuant to Sinking Fund Installments prior to their maturity at a redemption price equal to the principal amount thereof by application by the Trustee in accordance with the Indenture of funds on deposit to the credit of the Redemption Sub-Account. Subject to the availability of funds for transfer from the Revenue Fund and from the Debt Reserve Account, deposits to be applied to Sinking Fund Installments are to be made into the Redemption Sub-Account pursuant to the Indenture in amounts that will make possible the retirement of Term Bonds by purchase during the Fiscal Year, or by mandatory redemption on January 1, in the respective years and in the aggregate principal amounts as set forth in the following table (each constituting a Sinking Fund Installment), as adjusted pursuant to the paragraph immediately thereafter:

Term Bonds Maturing January 1, 2045

Redemption Date (January 1)	Principal Amount
2042	$94,000,000
2043	94,000,000
2044	94,000,000
2045†	94,000,000

† Maturity

Available funds on deposit in the Redemption Sub-Account and Debt Reserve Account are required to be applied to the payment of Sinking Fund Installments; *provided*, that failure to retire the entire scheduled amount of Term Bonds through the application of any Sinking Fund Installment on or prior to the next scheduled Sinking Fund Installment date is not an Event of Default under the Indenture. Any amount of Term Bonds not so retired will be added to the amount to be retired on the next scheduled Sinking Fund Installment date for such Term Bonds. For a description of the application of funds on deposit in the Redemption Sub-Account to the payment of Sinking Fund Installments or the purchase of Term Bonds, see **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds – *Debt Service Account*."**

On each mandatory sinking fund redemption date, the Authority shall be given credit for the principal amount of any Term Bonds it has (i) redeemed pursuant to the optional redemption provisions for the Term Bonds described above, or (ii) purchased and surrendered for cancellation as described in the Indenture, provided credit has not previously been given for such redeemed or purchased Term Bonds.

Selection of Bonds for Redemption; Notice of Redemption

If less than all of the 2020A Bonds are to be redeemed, the particular 2020A Bonds or portions of 2020A Bonds to be redeemed shall be selected by the Authority in a principal amount designated to the Trustee by the Authority; provided, however, that in the case of the redemption of less than all of the 2020A Bonds of a single maturity, such redemption (i) shall be by lot in such manner as the Trustee may determine among such 2020A Bonds and (ii) shall be in a principal amount equal to an Authorized Denomination.

Notice of any redemption of 2020A Bonds will be given by the Trustee by registered or certified mail, postage prepaid, to the Registered Owner of any 2020A 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 2020A Bond will affect the validity of any proceedings for redemption of any other 2020A Bonds with respect to which notice was properly given. No further interest will accrue on the principal of any 2020A 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 2020A Bonds will have no rights with respect to such 2020A 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 2020A Bond while in the book-entry only system, see **APPENDIX E – "BOOK-ENTRY SYSTEM."** Subject to the limitations described below, the 2020A 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 2020A Bond, upon surrender of such 2020A Bond at the principal office of the Trustee, shall be exchanged for an equal aggregate principal amount of 2020A Bonds of any Authorized Denomination of the 2020A 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 2020A Bond during the period between each Record Date and the next succeeding interest payment date of such 2020A Bond or after such 2020A Bond has been called for redemption.

Mutilated, Lost, Stolen or Destroyed Bonds

If any 2020A Bond is mutilated, lost, stolen or destroyed, the Authority shall execute, and the Trustee shall authenticate, a new 2020A Bond; *provided*, *however*, that the Authority and the Trustee shall require satisfactory indemnification prior to authenticating a new 2020A Bond, and the Trustee shall require satisfactory evidence of the ownership and mutilation, loss, theft or destruction of the affected 2020A Bond. The expense of issuing a substitute 2020A Bond in place of a mutilated, lost, stolen or destroyed 2020A Bond shall be borne by the Registered Owner.

SECURITY AND SOURCES OF PAYMENT FOR THE 2020A BONDS

The following is a summary of certain provisions of the Indenture relating to the 2020A 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 2020A 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 2020A 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 2020A BONDS SHALL BE LIABLE PERSONALLY ON THE 2020A BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE 2020A 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. See **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE-Toll Rate Covenants**."

Certain Amendments to the Indenture

Transfer Amendment. Each Supplemental Indenture of the Authority, beginning with the Seventh Supplemental Indenture and extending through the Thirtieth 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, 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 ("**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 ("**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 – Additional Covenants –** *Sale, Lease or Encumbrance of Property*" for a further description of this amendment ("**Transfer Amendment**").

Reserve Account Credit Facility Amendment. Each Supplemental Indenture of the Authority, beginning with the Twenty-Ninth 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, to allow the Provider of a Reserve Account Credit Facility which is a surety bond or insurance policy to 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 not lower than the second highest rating category by S&P Global Ratings and Moody's Investors Service, Inc. or their successors, or any insurer who holds the highest policy holder rating accorded insurers by A.M. Best & Co. or any comparable service. See **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Flow of Funds –** *Debt Reserve Account*" for a further description of this amendment ("**Reserve Account Credit Facility Amendment**").

Neither the Transfer Amendment nor the Reserve Account Credit Facility Amendment shall 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 Outstanding Junior Bonds then outstanding. The Authority has not issued any Junior Bonds. The Authority has received the consent of the requisite bondholders to the Transfer Amendment but not the consent of the requisite Providers. Neither consent referenced in clauses (i) or (ii) has been received with respect to the Reserve Account Credit Facility Amendment. Accordingly, neither the Transfer Amendment nor the Reserve Account Credit Facility Amendment is effective. See **APPENDIX D** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Supplemental Indentures**."

EACH PURCHASER OF THE 2020A BONDS WILL BE DEEMED TO HAVE CONSENTED TO THE TRANSFER AMENDMENT AND THE RESERVE ACCOUNT CREDIT FACILITY AMENDMENT BY ITS PURCHASE OF THE 2020A 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 ("**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 Trustee for deposit to the credit of 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 Trustee for deposit to the credit of 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 Trustee for deposit to the credit of the Debt Reserve Account;

Sixth, to the Trustee for deposit to the credit of the 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 2020A Bonds and the deposit of $18,396,663.63 of the proceeds thereof in the Debt Reserve Account, 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 ("**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 ("**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, Inc. and S&P Global Ratings, Inc. currently rate each of BHAC and Columbia as "Aa1" and "AA+," respectively. A.M. Best & Co. 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 & Co. ratings for those categories. A.M. Best & Co. does not rate BHAC.

Upon issuance of the 2020A Bonds and application of the proceeds thereof, the applicable Debt Reserve Requirement will equal $525,190,000. On the date of issuance of the 2020A 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 2020A 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 2020A 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 includes 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 – Additional 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 2020A 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 ("**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; 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.

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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	Sr. Vice President-Marketing, Community Relations and Government Affairs of Silver Cross Hospital and Medical Center
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. As stated in the Authority's By-Laws, Mr. Evans also is the Chief Executive Officer 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 Inc.

José Alvarez, Executive Director. On April 18, 2019, the Board of Directors appointed Mr. Alvarez 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.

Cathy R. Williams, Chief Financial Officer. Ms. Williams joined the Authority in 2012 as Deputy Chief of Finance and has served as Chief Financial Officer since March 1, 2020. In both capacities, Ms. Williams has had a lead role in managing financing of the Authority's Move Illinois Program that commenced in 2012. Prior to joining the Authority, Ms. Williams was a Managing Director of Funds for JPMorgan Chase. Prior to that, Ms. Williams held several senior roles at JPMorgan predecessor banks (Bank One/First Chicago) including treasury management and internal audit. Ms. Williams received her undergraduate degree in Accounting from Roosevelt University and her Masters in Business Administration degree in Finance from the University of Chicago Booth School of Business and her CPA certificate from the State of Illinois.

Kathleen R. Pasulka-Brown, Assistant Attorney General and General Counsel. Ms. Pasulka-Brown assumed the responsibilities of 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, P.C. During the more than 34 years Ms. Pasulka-Brown has practiced law, 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, personal injury, sexual abuse and the education of individuals with disabilities. Ms. Pasulka-Brown received her undergraduate degree from the University of California at Los Angeles *cum laude* 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 six departments: (i) Business Systems; (ii) Communications; (iii) Engineering; (iv) Facilities and Fleet; (v) Planning; and (vi) 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 16 departments, including Administration, Business Systems, Communications, Diversity and Strategic Development, Engineering, Executive Office and Directors, Facilities and Fleet, 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 of the Authority 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 six 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 also reports to the Illinois Attorney General.

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 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 Facilities and Fleet Department is responsible for maintenance and repairs at 186 Tollway facilities and the service and repair of approximately 1700 vehicles and operating equipment. The department also provides support services that include the warehousing and delivery of goods and materials, mail delivery, IT wiring, and equipment installations at facilities, communication tower maintenance and repair, and the installation and repair of communication radio equipment in all Illinois State Police and Tollway vehicles.

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, and serves a five-year term.

The Internal Audit Department recommends policies and procedures to ensure the Authority's Board members, employees, 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 Department handles all of the Tollway's legal matters, as 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 matters, legislation and policy, community relations, property management, geographic information system and geometrics.

The Procurement Department is responsible for purchasing, procurement, contract compliance and warehousing inventories. In addition, the Procurement Department is authorized to execute contracts and place orders for goods and services.

State Police District 15 is one of 21 districts of the Illinois State Police. It is responsible for providing comprehensive law enforcement services for 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 tolls. The Department's responsibilities also include customer service functions associated with electronic toll collection and evasion recovery.

Labor Relations

As of October 31, 2020, unions represent approximately 997 of the Authority's 1,260 employees. The Authority currently has a collective bargaining agreement with Local 700 State and Municipal Teamsters and Chauffeurs Union, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America Union, representing approximately 430 employees, the majority of which are roadway maintenance personnel. The term of the collective bargaining agreement is March 1, 2018 through February 28, 2023. The Authority has two collective bargaining agreements with the Metropolitan Alliance of Police ("**MAP 135**" and "**MAP 336**"), which together represent 23 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, runs from November 1, 2018 through October 31, 2022. Approximately 340 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 199 professional and non-professional white collar Authority employees are represented by the American Federation of State, County and Municipal Employees, Council 31 ("**AFSCME**") Local 3883. The term of the Authority's agreement with AFSCME is January 1, 2018 through 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, 2019, participation in SERS includes approximately 62,000 active State employees and 74,600 benefit recipients.

Substantially all of the Authority's approximately 1,260 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 ("**State Contribution**"), actuarially calculated pursuant to the provisions of the Illinois Pension Code, as amended ("**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 ("**Authority Contribution**"). See "*State Contribution and Portion of State Contribution Paid by the Authority*" below.

SERS Significantly Underfunded

As of June 30, 2019, SERS' total pension liability was $51,885,938,889, its Fiduciary Net Position (market value of assets) was $18,491,888,652 and its net pension liability was $33,394,050,237. SERS' funded ratio, its Fiduciary Net Position as a percentage of its total pension liability ("**Funded Ratio**"), is 35.64% as of June 30, 2019. As of the end of fiscal years ended June 30, 2014 through June 30, 2019, SERS' Funded Ratios have ranged from 30.58% to 35.64%. 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, 2019. 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 62704. 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 into 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.

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 – 2021 and the preliminary contribution rate established by SERS for State fiscal year 2022:

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	51.152**
July 1, 2019 – June 30, 2020	54.290
July 1, 2020 – June 30, 2021	54.831
July 1, 2021 – June 30, 2022	56.169 (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 initially set at 51.614% and the Authority made contributions based on that rate. Pursuant to Public Act 100-0587, the employer contribution rate was recertified from 51.614% to 51.152%, retroactive to July 1, 2018. The Authority expects to receive a refund corresponding to this reduction in the amount of $553,034.

*** At its October 27, 2020 Board meeting, SERS set a preliminary employer contribution rate of 56.169% for the State fiscal year ending June 30, 2022. This rate is subject to review by the State actuary and expected to be finalized in January 2021.

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 2019 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
January 1, 2019 – Dec 31, 2019	59.4

The Authority's $59.4 million contribution for its fiscal year 2019 was slightly above its budgeted amount of $58.7 million. The Authority's contribution for Authority fiscal year 2020 included in its 2020 budget is $59.2 million, based on an assumed average employer contribution rate of 54.360%. The Authority's contribution for Authority fiscal year 2021 included in its tentative budget is $61.5 million, based on as assumed average employer contribution of rate of 54.596%. 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 2020A 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 in the employer contribution rate and/or increases in 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. 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 ("**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 "**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 ("**Pension Expense**") and 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, 2019. The percentage allocated to the Authority ("**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	2.6382	900,824,457
2017	2.6999	888,456,774
2018	2.6698	882,540,010
2019	2.5568	853,819,076

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, 2018 and 2019 was $81,995,381, $62,052,322, $115,385,838, $118,083,891, $97,525,530 and $67,395,991, 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 of Illinois Comprehensive Financial Annual Report ("**State CAFR**") for State fiscal year ended June 30, 2019, *provided, however,* that the content of such State CAFR is not incorporated into this Official Statement by such reference.

As of December 31, 2019, 1,156 Authority retirees meet the eligibility requirements for OPEB. For the years ended December 31, 2014, 2015, 2016, 2017, 2018 and 2019, the Authority contributed $3.9 million, $4.1 million, $4.2 million, $4.3 million, $4.2 million and $2.9 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. On December 31, 2018, the Authority recorded a liability of $140.1 million on its statement of net position for the share of the State's net OPEB liability allocated to the Authority. On December 31, 2019, such liability was $131.4 million. Such recorded OPEB liability, as reported on December 31, 2019, was measured as of June 30, 2019, with an actuarial valuation as of June 30, 2018. 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, 2019. As of the measurement date of June 30, 2019, the Authority's proportion was 0.2995%. 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

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, "**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 ("**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 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 PROGRAM – 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 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**"). The lease agreements expire in 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), and 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 was $900,250 annually through 2019, and is reduced in 2020 to $689,582 annually due to closures in connection with the Central Tri-State widening and reconstruction.

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 all-electronic tolling ("**AET**") facilities for toll collection along the entirety of its 294 miles of limited access roadway. The system consists of 28 mainline and 61 ramp toll plazas. Until March 14, 2020, in addition to electronic tolling, 22 of the 28 mainline plazas and 2 of the 61 ramp plazas offered attendants to process cash forms of payment. Also until March 14, 2020, in addition to electronic tolling, 52 of the 61 ramp plazas offered payment in coins or currency or by credit card. As of March 14, 2020, all options to pay tolls via cash payments to attendants or other payments by coin or currency or by credit card were discontinued, in order to reduce the possibility of transmission of the COVID-19 virus.

Return of the discontinued forms of payment described in the preceding paragraph is uncertain and the extent of any such return is currently expected to depend on assessments regarding COVID-19 transmission risks.

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 accommodate payment by I-PASS. The Authority currently operates 112 I-PASS open road tolling lanes and 87 AET lanes, which allow cars and trucks to travel through at the posted speed limit. The Authority operates 160 dedicated I-PASS only lanes that allow vehicles to pass through toll plazas at reduced speeds (5-30 mph). Currently, there are approximately 7.6 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 previous capital program known as 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. 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.

Effective June 25, 2020, the Tollway implemented an invoicing process for unpaid tolls. Details of the invoicing process are provided in the following chart. The vehicle tiers listed in the chart are generally passenger cars (tier 1), small trucks (Tier 2), medium trucks (tier 3), and large trucks (tier 4). Regarding the two corridors listed in the chart, "Il-390" applies to the Illinois Route 390 corridor and "Standard" applies to all other Tollway System corridors. Lower fee amounts were assigned to Illinois Route 390 because of its more frequent toll collection points.

		New Invoice Process		
Corridor	Vehicle Tier	Initial Notice	Second Notice	Third notice
Standard	Passenger (1)	$3.00	$--	+$5.00
	2	$5.00	$--	+$5.00
	3	$9.00	$--	+$5.00
	3	$15.00	$--	+$5.00
IL390	1	$1.50	$--	+$2.50
	2	$2.50	$--	+$2.50
	3	$4.50	$--	+$2.50
	4	$7.50	$--	+$2.50

An "unpaid toll" is a toll that is neither: (i) paid at the point of transaction; nor (ii) paid online within two weeks of the transaction. An unpaid toll is subject to an initial invoice requesting payment of the toll at its cash rate plus the applicable invoicing fee listed under "Initial Notice" in the preceding chart. If the toll remains unpaid, a reminder notice is sent. If the toll continues to remain unpaid, it becomes subject to an additional invoice requesting the amounts from the initial invoice plus an additional $5.00 invoicing fee.

If a toll remains unpaid through completion of the invoicing process which is expected to occur roughly 90 days after the toll transaction, such unpaid toll becomes subject to other enforcement actions and potentially fines. The Authority maintains an extensive violation enforcement system ("**VES**"), which has resulted in revenue totaling approximately $346 million from 2015 through 2019 (see "**TABLE FIVE – SUMMARY OF OPERATING REVENUES, MAINTENANCE AND OPERATING EXPENSES, NET OPERATING REVENUES AND DEBT SERVICE COVERAGE FOR THE YEARS ENDED DECEMBER 31, 2015 – DECEMBER 31, 2019**" and "**FINANCIAL INFORMATION – Financial Information Discussion –** ***Toll Revenue Collection***"). VES employs in-lane technology which interfaces with the toll payment medium 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.

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. 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, e-commerce services, issuing and processing violation notices, interfacing with the E-ZPass 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 April 22, 2023.

Toll Enforcement

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 an administrative adjudication process for adjudicating disputes relating to alleged toll violations and assessing fines. Generally, if there are three or more unpaid tolls within a one-year period, a Notice of Violation is issued 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 fines are subject to increased fines of $50 to $70 per violation ($25 to $35 total on Illinois Route 390). 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; the Authority has not exercised this ability in recent years but has the ability to do so in the future.

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, 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 the 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%. Subsequent annual adjustments effective on January 1, 2019 and 2020 were based on CPI-U increases of 2.254% and 2.072% respectively. The next annual adjustment, to be effective January 1, 2021, will increase commercial vehicle toll rates based on a CPI-U increase of 1.564%.

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 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 current (2020) daytime rates for the three commercial vehicle classes of large (Tier 4), medium (Tier 3) and small (Tier 2) are $6.80, $3.85 and $2.55, respectively, at typical mainline plazas. The corresponding overnight (10:00 p.m. – 6:00 a.m.) rates are discounted to $5.10, $3.00 and $1.70.

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 that pay online within 14 days of the transaction. At a typical Tollway mainline plaza, passenger car I-PASS users pay $0.75, compared to $1.50 for passenger car users paying online within 14 days.

The Tollway currently does not collect tolls from certain 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, 2005 - 2021

PASSENGER VEHICLES:

2005 – Current		2005 – 2011(1)(2)		2012 – 2021(1)(2)	
Class	Description	Transponder	Cash	Transponder	Cash
1	Automobile/SUV, motorcycle, taxi, single unit truck or tractor, two axles, four or less tires	$0.40	$0.80	$0.75	$1.50

COMMERCIAL VEHICLES:

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)		2021(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	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	$2.60	$1.75
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	$3.90	$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	$6.90	$5.20

(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 Illinois Route 390 (where tolling began 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-ZPass, etc.) are tolled at a discounted rate, and a non-discounted rate applies to payments made online within 14 days of the transaction.

(3) Commercial vehicles (Classes 2-4) are tolled at a discounted rate during the overnight period of 10 p.m. – 6 a.m. ("**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 ("**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, 1/1/2020, and 1/1/2021 were based on CPI-U increases of 1.839%, 2.254%, 2.072%, and 1.564%, 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, operation, repair, regulation and maintenance of the Tollway System and pay 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
1964-2019 (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
2019	900,809	122,413	1,023,222	88.04

Source: Authority's Comprehensive Annual Financial Report for the Year Ended December 31, 2019.

(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 approximately 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)]
1964-2019 (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
2019	726,063	654,688	1,380,751	52.58

Source: Authority's Comprehensive Annual Financial Report for the Year Ended December 31, 2019.

(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)]
1964-2019 (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
2017	1,401,818	319,538	1,082,279[(3)]
2018	1,458,141	336,361	1,121,780[(3)]
2019	1,511,003	350,206	1,160,797[(3)]

Source: Authority's Comprehensive Annual Financial Report for the Year Ended December 31, 2019.

(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 2017 to 2018 and 2018 to 2019, see "**FINANCIAL INFORMATION – Financial Information Discussion**."

Table Five presents, for 2015 through 2019, 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 2020 through 2032 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, 2015 – DECEMBER 31, 2019[(1)(2)]
(DOLLARS IN THOUSANDS)

	2015	2016	2017	2018	2019
Revenues:					
Toll Revenue	$1,146,629	$1,216,298	$1,309,190	$1,341,051	$1,380,751
Toll Evasion Recovery[(3)]	64,323	64,491	65,640	70,469	81,554
Concession/Miscellaneous	7,664	11,481	13,041	12,232	8,864
Investment Income	1,846	6,530	13,947	34,389	38,456
Total Operating Revenue	$1,220,463	$1,298,800	$1,401,818	$1,458,141	$1,509,624
General Administration	$ 23,851	$ 25,732	$32,077	$47,341	$46,074
Engineering & Maintenance	55,477	53,650	74,055	78,404	95,540
Toll Services	101,415	109,854	140,217	141,981	136,124
Police, Safety and Communication	24,958	27,256	37,908	40,762	42,190
Insurance and Employee Benefits[(4)]	92,778	92,748	35,282	27,873	30,278
Total Expenses	$298,479	$309,239	$319,538	$336,361	$350,207
Net Operating Revenues	$921,984	$989,561	$1,082,279	$1,121,780	$1,159,418
Total Debt Service[(5)]	$358,846	$387,933	$398,411	$424,244	$420,796
Net Revenues After Debt Service[(5)]	$563,139	$601,628	$683,868	$697,536	$738,622
Debt Service Coverage[(5)]	2.57	2.55	2.72	2.64	2.76

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 PROGRAM

The Authority currently has one capital program in process: the Move Illinois Program, initially scheduled for the period 2012-2026, and currently expected to be completed in 2027. The Authority's prior capital program, known as 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 2012-2027. 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 $14.3 billion projected cost has subsequently been reduced to $14.1 billion. The Move Illinois Program is expected to be funded in part from the issuance of approximately $5.65 billion of Bonds (of which $3.1 billion was issued before the issuance of the 2020A 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 U.S. Interstate Highway 490 ("**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 PROGRAM – 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 the Governor approved 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**."

Potential Additional Capital Projects

Statutory Approvals for New Toll Highways. 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, other than refunding bonds, for new toll highways, 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 twelve 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 ("**Consulting Engineers**") while any Bonds issued under the Indenture remain outstanding, including the 2020A Bonds, the Authority has employed, beginning in 2017, WSP USA Inc., Chicago, Illinois, 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, regarding the annual inspection in the year 2019, is dated March 1, 2020 ("**Consulting Engineers' 2019 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' 2019 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' 2019 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 ("**Consulting Engineers' Report**") as **APPENDIX B – "CONSULTING ENGINEERS' REPORT"** includes a summary of information in the Consulting Engineers' 2019 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 2019, the Authority credited approximately $3.65 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 2019
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
2019	428,965,993
	$3,653,442,821

Source: Authority's Comprehensive Annual Financial Report for the Year Ended December 31, 2019.

(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, as revised, the Authority estimates that deposits totaling $120 million will be made in 2020, of which $90 million has been deposited as of the nine months ended September 30, 2020. 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 PROGRAM – The Move Illinois 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 ("**Trust Indenture Financials**"). The Trust Indenture Financials are not prepared in accordance with GAAP but rather reflect the requirements of the Indenture ("**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 for 2021 and Projected 2020 Results – 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 2019 and 2018 that are included in the Supplementary Information section (pages 67-75) 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 – 2019 Compared to 2018

The Tollway's total 2019 operating revenues, totaling $1.5 billion, exceeded those of the previous year by $48.1 million (3.3%). This increase came from toll revenue which totaled $1.4 billion in 2019 (up $39.7 million (3.0%) from 2018), 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 (15.8%) than 2018, at $81.6 million in 2019 (versus $70.5 million in 2018). Miscellaneous revenue in 2019 was $2.2 million lower than 2018, due mainly to decreased I-PASS transponder replacement revenue. Concession revenue decreased in 2019 to $1.7 million (20.2%) due to closures of oasis sites in recent years.

Operating expenses, excluding depreciation, remained fairly constant from 2018 to 2019. Depreciation and amortization expense increased by 6.6% to $475.6 million in 2019, from $446.2 million in 2018. The resulting net operating income for the year, $614.8 million, increased by $26.6 million, or 4.5%, from the previous year.

Nonoperating revenue increased by $8.9 million, due to increased investment returns and increased intergovernmental agreement revenue. 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 2019 rebate totaled $13.6 million, down from $15.2 million in 2018.

Nonoperating expenses increased by $14.7 million, due to increased interest and amortization of financing costs and increased intergovernmental agreement expense. The net nonoperating expenses increased this year by 2.5% from $234.4 million in 2018 to $240.1 million in 2019, due to the variances noted above.

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 constant 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.

Annual Budget for 2021 and Projected 2020 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 2021, the tentative annual budget was presented to the Board of Directors of the Authority on October 15, 2020, and the final budget is expected to be presented on December 17, 2020. The Authority's tentative 2021 budget anticipates $1.422 billion in revenues and presents an overall spending plan that includes $380 million of operating expenses, $468 million of debt service and $1.534 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 2020 of $1.27 billion in revenues, supporting projected spending of $365 million for operating expenses, $426 million for debt service and $1.094 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 ("**Traffic Engineers' Report**") of CDM Smith Inc., Lisle, Illinois ("**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 2015 – 2019 ranged from 5.7% – 7.2% and averaged 6.4%. Toll evasion recovery revenues in the same period averaged 5.1% of estimated expected toll revenues, resulting in average "net leakage" in 2015 – 2019 of 1.4% 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 2020A Bonds. All are Senior Bonds under the Indenture.

Series	Final Maturity	Principal Outstanding	Purpose of Issue
2009A Bonds	1/1/2034	$400,000,000	CRP
2009B Bonds	12/1/2034	280,000,000	CRP
2013A Bonds	1/1/2038	500,000,000	Move Illinois
2014A Bonds	12/1/2022	198,585,000	Refunding
2014B Bonds	1/1/2039	500,000,000	Move Illinois
2014C Bonds	1/1/2039	400,000,000	Move Illinois
2014D Bonds	1/1/2025	223,475,000	Refunding
2015A Bonds	1/1/2040	400,000,000	Move Illinois
2015B Bonds	1/1/2040	400,000,000	Move Illinois
2016A Bonds	12/1/2032	333,060,000	Refunding
2016B Bonds	1/1/2041	300,000,000	Move Illinois
2017A Bonds	1/1/2042	300,000,000	Move Illinois
2018A Bonds	1/1/2031	498,125,000	Refunding
2019A Bonds	1/1/2044	300,000,000	Move Illinois
2019B Bonds	1/1/2031	225,245,000	Refunding
2019C Bonds	1/1/2031	697,870,000	Refunding
2020A Bonds	1/1/2045	500,000,000	Move Illinois
	Total Outstanding Bonds	$6,456,360,000	

The 2009A Bonds and 2009B Bonds were issued to finance portions of a prior capital program of the Authority known as the Congestion-Relief Program ("**CRP**"). The 2013A Bonds, 2014B Bonds, 2014C Bonds, 2015A Bonds, 2015B Bonds, 2016B Bonds, 2017A Bonds and 2019A Bonds were issued and the 2020A Bonds are being issued to finance portions of the Move Illinois Program. The 2014D Bonds were issued to advance refund a portion of the Authority's Toll Highway Senior Priority Revenue Bonds, 2006 Series A-1. 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 ("**2008B Bonds**"). The 2018A Bonds were issued to refund portions of the 2007A Bonds, 2008A Bonds and 2009A Bonds. The 2019B Bonds were issued to refund the Authority's Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1 ("**2010A-1 Bonds**"). The Series 2019C Bonds were issued to refund the following bonds: (i) Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-1a ("**2007A-1a Bonds**"); (ii) Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-1b ("**2007A-1b Bonds**" together with the 2007 A-1a Bonds, the "**2007 A-1 Bonds**"); (iii) Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007, Series A-2d ("**2007A-2 Bonds**" and together with the 2007A-1 Bonds, the "**2007A Bonds"**); (iv) Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1b ("**2008 A-1 Bonds**"); and (v) Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-2 ("**2008A-2 Bonds**" together with the 2008A-1 Bonds, the "**2008A Bonds**").

Annual Debt Service Requirements

Set forth below is a schedule of the annual debt service requirements associated with the 2020A Bonds and the other Senior Bonds Outstanding and the combined debt service requirements thereon for the years ending January 1, 2021 through January 1, 2045. The Authority does not have any bonds outstanding other than Senior Bonds.

Year Ending January 1	Debt Service on Senior Bonds Outstanding(1)(2)	2020A Bonds Principal	2020A Bonds Interest	Total Debt Service on all Senior Bonds(1)(2)
2021	$442,113,760	-		$442,113,760
2022	441,953,800	-	$25,972,222	467,926,022
2023	441,995,300	-	25,000,000	466,995,300
2024	441,998,300	-	25,000,000	466,998,300
2025	441,937,050	-	25,000,000	466,937,050
2026	458,616,300	-	25,000,000	483,616,300
2027	492,974,800	-	25,000,000	517,974,800
2028	492,846,550	-	25,000,000	517,846,550
2029	493,146,550	-	25,000,000	518,146,550
2030	493,344,800	-	25,000,000	518,344,800
2031	493,315,300	-	25,000,000	518,315,300
2032	500,187,050	-	25,000,000	525,187,050
2033	500,156,797	-	25,000,000	525,156,797
2034	500,168,004	-	25,000,000	525,168,004
2035	500,127,800	-	25,000,000	525,127,800
2036	495,655,000	$ 4,500,000	25,000,000	525,155,000
2037	495,408,750	5,000,000	24,775,000	525,183,750
2038	495,265,000	5,400,000	24,525,000	525,190,000
2039	484,775,000	12,100,000	24,255,000	521,130,000
2040	464,695,000	17,000,000	23,650,000	505,345,000
2041	286,105,000	80,000,000	22,800,000	388,905,000
2042	148,000,000	94,000,000	18,800,000	260,800,000
2043	76,535,000	94,000,000	14,100,000	184,635,000
2044	73,270,000	94,000,000	9,400,000	176,670,000
2045		94,000,000	4,700,000	98,700,000
Total	$10,154,590,911	$500,000,000	$542,977,222	$11,197,568,133

(1) Debt service does not net out Subsidy Payments received or anticipated to be received by the Authority as a result of the Authority's election to issue the 2009A Bonds and 2009B Bonds as Build America Bonds.

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

Pro Forma Debt Service Coverage

Table Seven sets forth pro forma debt service coverage for the years 2020 through 2032, 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 applicable 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 changes to the CPI-U index. The annual adjustments implemented on January 1 of each of 2018, 2019 and 2020 were based on CPI-U-based increases of 1.839%, 2.254%, and 2.072%, respectively, and the annual adjustment scheduled to be implemented on January 1, 2021 is based on a CPI-U-based increase of 1.564%. The Traffic Engineers have assumed annual increases of 2.000% 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 Senior 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 and projected Operating Expenses for years 2020 through 2032.

The following table sets forth pro forma debt service coverage for the years 2020 through 2032, based upon the assumptions set forth in the footnotes. **As noted in the footnotes, debt service in this table includes the issuance of the 2020A Bonds but does not take into account any bond issuance projected after the issuance of the 2020A Bonds**. The Authority's current estimate of projected debt service coverage assumes 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 2020 through 2032. 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	2020	2021	2022	2023	2024	2025
Expected Toll Revenues[1]	$1,304,358	$1,469,431	$1,515,802	$1,564,155	$1,618,787	$1,666,923
Evaded Tolls[2]	(143,479)	(146,943)	(151,580)	(156,416)	(161,879)	(166,692)
Evasion Recovery[3]	79,121	72,512	75,790	78,208	80,939	83,346
Concessions and Miscellaneous	15,000	10,000	10,000	10,000	10,000	10,000
Investment Income	15,000	10,000	16,000	18,000	19,000	19,000
TOTAL REVENUES	**$1,270,000**	**$1,415,000**	**$1,466,012**	**$1,513,947**	**$1,566,848**	**$1,612,577**
Projected Operating Expenses[4]	**365,000**	**379,516**	**394,697**	**410,485**	**426,904**	**443,981**
Projected Net Revenues	**$905,000**	**$1,035,483**	**$1,071,315**	**$1,103,462**	**$1,139,943**	**$1,168,596**
Projected Debt Service [5]	$442,114	$467,926	$466,995	$466,998	$466,937	$483,616
Pro Forma Debt Service Coverage	**2.0 x**	**2.2 x**	**2.3 x**	**2.4 x**	**2.4 x**	**2.4 x**
Projected Net Cash Flow [6]	$462,886	$567,557	$604,319	$636,464	$673,006	$684,980

(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) Evaded Tolls (aka Toll Revenue Leakage) is projected at 11% of Expected Toll Revenues in 2020 and 10% thereafter. See "**THE TOLLWAY SYSTEM – Toll Collections**" for a discussion of Evaded Tolls.

(3) Evasion Recovery in 2020 and 2021 is projected per the tentative 2021 budget, and thereafter is projected at 50% of Evaded Tolls, equating to net leakage of 5.0%.

(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 assumes the issuance of the 2020A Bonds but does not take into account any bond issuance thereafter.** 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**	**2032**
Expected Toll Revenues[1]	$1,736,094	$1,805,121	$1,847,528	$1,882,106	$1,912,683	$1,943,614	$1,982,941
Evaded Tolls[2]	(173,609)	(180,512)	(184,753)	(188,211)	(191,268)	(194,361)	(198,294)
Evasion Recovery[3]	86,805	90,256	92,376	94,105	95,634	97,181	99,147
Concession and Miscellaneous	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Investment Income	17,000	18,000	18,000	18,000	18,000	18,000	18,000
TOTAL REVENUES	**$1,676,289**	**$1,742,865**	**$1,783,152**	**$1,816,001**	**$1,845,049**	**$1,874,433**	**$1,911,794**
Projected Operating Expenses[4]	**$ 461,740**	**$ 480,209**	**$ 499,418**	**$ 519,394**	**$ 540,170**	**$ 561,777**	**$ 584,248**
Projected Net Revenues	**$1,214,550**	**$1,262,656**	**$1,283,734**	**$1,296,606**	**$1,304,879**	**$1,312,656**	**$1,327,546**
Projected Debt Service [5]	$517,975	$517,847	$518,147	$518,345	$518,315	$525,187	$525,157
Pro Forma Debt Service Coverage	**2.3 x**	**2.4 x**	**2.5 x**	**2.5 x**	**2.5 x**	**2.5 x**	**2.5 x**
Projected Net Cash Flow [6]	$696,575	$744,809	$765,587	$778,261	$786,563	$787,469	$802,389

(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) Evaded Tolls (aka Toll Revenue Leakage) is projected at 11% of Expected Toll Revenues in 2020 and 10% thereafter. See "**THE TOLLWAY SYSTEM – Toll Collections**" for a discussion of Evaded Tolls.

(3) Evasion Recovery in 2020 and 2021 is projected per the tentative 2021 budget, and thereafter is projected at 50% of Evaded Tolls, equating to net leakage of 5.0%.

(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 assumes the issuance of the 2020A Bonds <u>but does not take into account any bond issuance thereafter</u>.** 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 2020A 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 2020A 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 2020A 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.

COVID-19 Pandemic's Materially Adverse Impact on Authority Revenues

Traffic and Toll Revenues have been materially adversely impacted by the COVID-19 pandemic and responses thereto. The Authority implemented all-electronic-tolling on March 14, 2020, discontinuing all options to pay tolls via cash payments to attendants or other payments by coin or currency or by credit card, in order to reduce the possibility of transmission of the COVID-19 virus. A Stay-at-Home order from the Governor of Illinois was in full effect from March 21 – April 30, 2020, which severely restricted movement and limited businesses and activities to essential functions. Under a phased approach to reopening, portions of the restrictions imposed by the Stay-at-Home order were lifted on each of May 1, May 29, and June 26, 2020. Some restrictions remain.

On May 5, 2020, the Governor released Restore Illinois, a five-phased plan to reopen the State, guided by health metrics and with distinct business, education and recreational activities characterizing each. On July 15, 2020 the Governor released a resurgence mitigation plan which established a public health framework for adopting mitigation measures in response to increases in COVID-19 case rates and hospitalizations. Under this plan, Illinois is divided into 11 regions, and a tiered approach to mitigation measures is applied regionally based on health metrics related to test positivity rates, hospital admissions and hospital capacity. Prior to November 17, 2020, different mitigation measures were in effect in different regions. In response to worsening health metrics, on November 17, 2020 the Governor announced additional, "tier 3" resurgence mitigations to become effective on November 20, 2020 across the entirety of the State. The current "tier 3" mitigation measures are intended to limit gatherings and encourage people to stay home to the greatest extent possible, while permitting some industries to remain open at reduced capacities with proper safety measures in place. Under the current mitigation plan, the need for resurgence mitigations is expected to be reevaluated every 14 days to determine if mitigations can be relaxed, if additional mitigations are required, or if mitigations should remain in place. These mitigations may impact Traffic and Toll Revenues.

Additional information regarding the State's phased approach to reopening is available at the website https://coronavirus.illinois.gov/s/restore-illinois-introduction, and additional information regarding the State's related mitigation plan is available at the website https://coronavirus.illinois.gov/s/restore-illinois-mitigation-plan. Neither the content of these websites nor any information on links appearing on either URL disclosed in the previous sentence is incorporated into this Official Statement by reference. The Authority has not independently verified the information contained in either website and makes no representations and expresses no opinion as to the accuracy of such information.

Toll Transactions – Monthly through October. Following are preliminary, unaudited estimates of Illinois Tollway traffic during the ten months January 1 through October 31, 2020, with percentage changes versus 2019. Traffic is shown for passenger cars, commercial vehicles, and in total, by month.

PRELIMINARY, UNAUDITED

	Passenger Cars		Commercial Vehicles		Total	
MONTHLY	**Transactions**	**YOY% change**	**Transactions**	**YOY% change**	**Transactions**	**YOY% change**
January [(1)]	68,655,941	8.4%	9,660,945	5.9%	78,316,886	8.1%
February [(1)]	67,181,298	5.1%	8,975,081	-0.2%	76,156,379	4.4%
March	53,736,148	-28.2%	9,671,861	-1.5%	63,408,009	-25.1%
April	32,489,307	-56.2%	8,602,830	-15.7%	41,092,137	-51.3%
May	43,935,814	-44.8%	9,123,127	-15.2%	53,058,941	-41.3%
June	56,500,764	-28.6%	10,354,966	-0.3%	66,855,730	-25.3%
July	64,370,539	-20.9%	10,820,145	0.2%	75,190,684	-18.4%
August	64,634,305	-21.4%	10,807,522	-2.7%	75,441,827	-19.2%
September	61,958,717	-17.8%	10,856,610	-4.3%	72,815,327	-15.1%
October	63,469,628	-20.2%	11,474,914	0.4%	74,944,542	-17.6%
Jan – Oct	**576,932,461**	**-23.5%**	**100,348,001**	**-2.63%**	**677,280,462**	**-20.9%**

[(1)]January and February compare favorably year-over-year in part due to severe weather in January 2019 and the additional leap day of February 29, 2020.

Toll Revenues – Monthly through September. Following are preliminary, unaudited estimates of Illinois Tollway expected toll revenues and booked toll revenues during the ten months January 1 through September 30, 2020, with percentage changes versus 2019. Expected toll revenues represent the toll revenues that would have been collected if every vehicle paid the exact published toll based on vehicle class, time of day, and payment type. Booked toll revenues is the toll revenue after accounting for toll avoidance, underpayments, and overpayments. Booked toll revenues does not include tolls, fees and fines collected through the violation enforcement system; these are reported separately in ISTHA's financial statements as toll evasion recovery.

PRELIMINARY, UNAUDITED

	All Vehicles		All Vehicles	
MONTHLY	**Expected Toll Revenues**	**YOY% change**	**Booked Toll Revenues**	**YOY% change**
January [(1)]	$114,125,797	8.6%	$106,819,143	7.0%
February [(1)]	109,321,579	4.0%	103,479,310	5.9%
March	102,880,970	-14.3%	94,822,225	-17.1%
April	78,896,364	-34.9%	69,771,807	-39.1%
May	92,314,638	-28.5%	79,835,285	-34.5%
June	110,628,887	-13.0%	93,429,131	-21.1%
July	120,527,110	-8.4%	102,456,433	-17.3%
August	120,126,973	-10.3%	103,282,501	-18.6%
September	117,702,863	-4.6%	103,068,764	-10.5%
Jan – Sep	**$966,525,180**	**-11.4%**	**$856,964,599**	**-20.5%**

[(1)] January and February compare favorably year-over-year in part due to severe weather in January 2019 and the additional leap day February 29, 2020.

Net Revenues – Quarterly through September. The following chart provides preliminary, unaudited quarterly financial information regarding the Authority's Net Revenues in the first three quarters of 2020. There is no assurance that the impact of COVID-19 will not materially adversely impact the Authority's Net Revenues in 2020 and thereafter to an extent greater than anticipated by the Authority as of the date of this Official Statement.

PRELIMINARY, UNAUDITED

	2020 Quarter 1 *ended 3/31/20*	**2020 Quarter 2** *ended 6/30/20*	**2020 Quarter 3** *ended 9/30/20*	**9 Months** *ended 9/30/20*
Expected Toll Revenues	$326,283,756	$281,839,889	$358,028,324	$966,151,969
Evaded Tolls	(21,163,079)	(38,803,666)	(49,220,626)	(109,187,370)
Booked Toll Revenues	$305,120,677	$243,036,223	$308,807,698	$856,964,599
Toll Evasion Recovery	18,136,640	4,248,073	36,400,687	58,785,400
Other Revenues (Inv income, concessions, misc.)	20,704,437	3,254,779	3,415,983	27,375,199
Revenues	$343,961,754	$250,539,075	$348,624,368	$943,125,197
Operating Expenses	(88,574,922)	(75,695,327)	(88,606,904)	(252,877,153)
Net Revenues	**$255,386,832**	**$174,843,748**	**$260,017,464**	**$690,248,044**

To meet the $905 million Net Revenues projected for Fiscal Year 2020 in Table Seven, Net Revenues in the fourth quarter of 2020 would need to be $215 million. There is no assurance that the impact of COVID-19 will not materially adversely impact the Authority's Net Revenues in 2020 and thereafter to an extent greater than anticipated by the Authority as of the date of this Official Statement

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 to complete 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**."

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 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 a member of a consortium of toll collection agencies from various states across the country that rely 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 – Pension Plan**," 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 a 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 2020A 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 2020A Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the 2020A Bonds were issued, as a result of future acts or omissions of the Authority in violation of its covenants in the Tax Compliance Certificate and Agreement entered into in connection with the issuance of the 2020A Bonds or future Congressional actions.

IRS Bond Examinations

The tax-exempt bond office of the Internal Revenue Service ("**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 2020A 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 2020A 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 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 2020A 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 2020A Bonds or any other Authority bonds, seeking to restrain or enjoin the issuance or delivery of the 2020A 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 2020A 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 are $1,000,000 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 2020A Bonds are subject to the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois as Bond Counsel ("**Bond Counsel**"), which 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 2020A 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, Bond Counsel has, at the request of the Authority, reviewed only the information in this Official Statement involving the description of the 2020A Bonds and the Indenture, the security for the 2020A Bonds and the description of the federal tax exemption of interest on the 2020A 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 2020A Bonds will be in substantially the form included in this Official Statement as **APPENDIX E**.

Certain legal matters in connection with the 2020A 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, Hardwick Law Firm, LLC, 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 ("**Rule**") of the United States Securities and Exchange Commission ("**SEC**"), as amended, and in effect on the date hereof, this 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 2020A 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 2020A 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 2020A 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 2020A Bonds) or will not, after the issuance of the 2020A 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 law firms.

UNDERWRITING

Siebert Williams Shank & Co., LLC ("**SWS**"), acting as the representative, on behalf of itself and on behalf of the other underwriters listed on the cover of this Official Statement ("**Underwriters**"), has entered into a purchase contract with the Authority pursuant to which the Underwriters jointly and severally agreed, subject to certain customary conditions precedent to closing, to purchase the 2020A Bonds from the Authority at a purchase price of $643,800,516.65 (representing the par amount of the 2020A Bonds, plus original issue premium of $144,942,984.00 and less an Underwriters' discount of $1,142,467.35).

Under the purchase contract, the Underwriters are obligated to purchase all the 2020A Bonds if any 2020A Bonds are purchased. The 2020A 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.

SWS Capital Management, LLC, an SWS affiliate (“**Affiliate**”), which is a registered investment advisor, has three sub-advisory agreements with PFM Asset Management LLC, which is an investment advisor affiliate of PFM Financial Advisors LLC. The sub-advisory agreements do not relate to the Issuer. Affiliate’s business is separate from SWS’ business and the employees of SWS who cover the Issuer are not involved in the activities of Affiliate.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("**WFBNA**"), one of the underwriters of the 2020A Bonds, has entered into an agreement (the "**WFA Distribution Agreement**") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) ("**WFA**"), for the distribution of certain municipal securities offerings, including the 2020A Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2020A Bonds with WFA. WFBNA has also entered into an agreement (the “**WFSLLC Distribution Agreement**”) with its affiliate Wells Fargo Securities, LLC (“**WFSLLC**”), for the distribution of municipal securities offerings, including the 2020A Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

PNC Capital Markets LLC (“**PNCCM**”), an underwriter for the 2020A Bonds, may offer to sell to its affiliate, PNC Investments, LLC (“**PNCI**”), securities in PNCCM’s inventory for resale to PNCI’s customers, including securities such as those to be offered by the Authority. PNCCM may share with PNCI a portion of the fee or commission paid to PNCCM if any of the 2020A Bonds are sold to customers of PNCI.

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.

MUNICIPAL ADVISORS

PFM Financial Advisors LLC and Backstrom McCarley Berry & Co., LLC (collectively, the “**Municipal Advisors**”), are employed as municipal advisors to the Authority in connection with the sale and issuance of the 2020A Bonds. The Municipal Advisors in their capacity as municipal advisors do 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 2020A Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisors have provided the following sentence for inclusion in this Official Statement: The Municipal Advisors have reviewed the information in this Official Statement in accordance with, and as part of, their 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 Advisors do 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 PROGRAM – The Move Illinois 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 2020A 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 2020 through 2032. 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 ("**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 $14.1 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,**" and "**THE CAPITAL PROGRAM – The Move Illinois 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 2020A 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 2020A Bonds have been assigned ratings of: "AA-" by Fitch Ratings; "A1" by Moody's Investors Service, Inc.; and "AA-" by S&P Global Ratings, Inc. 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 2020A 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 2020A Bonds may be resold.

TAX MATTERS

Summary of Bond Counsel Opinion

Bond Counsel is of the opinion that under existing law, interest on the 2020A Bonds is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "*Code*"), Bond Counsel is of the opinion that interest on the 2020A Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel is further of the opinion that the 2020A Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code and, accordingly, interest on the 2020A Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the 2020A Bonds is not exempt from Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the 2020A Bonds in order to preserve the exclusion from gross income for federal income tax purposes of interest on the 2020A Bonds. These requirements relate to the use and investment of the proceeds of the 2020A Bonds, the payment of certain amounts to the United States, the security and source of payment of the 2020A Bonds and the use of the property financed with the proceeds of the 2020A Bonds.

Bonds Purchased at a Premium or at a Discount

The difference (if any) between the initial price at which a substantial amount of a maturity of the 2020A Bonds are sold to the public (the "*Offering Price*") and the principal amount payable at maturity of such 2020A Bonds is given special treatment for federal income tax purposes. If the Offering Price is higher than the maturity value of a 2020A Bond, the difference between the two is known as "*bond premium*;" if the Offering Price is lower than the maturity value of a 2020A Bond, the difference between the two is known as "*original issue discount*."

Bond premium and original issue discount are amortized over the term of a 2020A Bond on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as a reduction in the amount of tax-exempt interest earned during such period. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such 2020A Bond for federal income tax purposes, to the same extent and with the same limitations as current interest.

Owners who purchase 2020A Bonds at a price other than the Offering Price, after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the 2020A Bonds. In addition, owners of 2020A Bonds should consult their tax advisors with respect to the state and local tax consequences of owning the 2020A Bonds; under the applicable provisions of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for federal income tax purposes.

Exclusion from Gross Income: Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for federal income tax purposes of interest on the 2020A Bonds. Among these requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of 2020A Bond proceeds that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

Investment Restrictions. Except during certain "*temporary periods*," proceeds of the 2020A Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a "*minor portion*") may generally not be invested in investments having a yield that is "materially higher" (1/8 of one percent) than the yield on the 2020A Bonds.

Rebate of Arbitrage Profit. Unless the Authority qualifies for an exemption, earnings from the investment of the "*gross proceeds*" of the 2020A Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the 2020A Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term "*gross proceeds*" includes the original proceeds of the 2020A Bonds, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the 2020A Bonds.

Covenants to Comply

The Authority has covenanted to comply with the requirements of the Code relating to the exclusion from gross income for federal income tax purposes of interest on the 2020A Bonds.

Risks of Non-Compliance

In the event that the Authority fails to comply with the requirements of the Code, interest on the 2020A Bonds may become includable in the gross income of the owners thereof for federal income tax purposes retroactive to the date of issue. In such event, the Authority's agreements with the owners of the 2020A Bonds require neither acceleration of payment of principal of, or interest on, the 2020A Bonds nor payment of any additional interest or penalties to the owners of the 2020A Bonds.

Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the 2020A Bonds is not includable in the gross income of the owners thereof for federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the 2020A Bonds that may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE 2020A BONDS.

Cost of Carry. Owners of the 2020A Bonds will generally be denied a deduction for otherwise deductible interest on any debt which is treated for federal income tax purposes as incurred or continued to purchase or carry the 2020A Bonds. As discussed below, special allocation rules apply to financial institutions.

Corporate Owners. Interest on the 2020A Bonds is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the 2020A Bonds is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

Individual Owners. Receipt of interest on the 2020A Bonds may increase the amount of social security and railroad retirement benefits included in the gross income of the recipients thereof for federal income tax purposes.

Certain Blue Cross or Blue Shield Organizations. Receipt of interest on the 2020A Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

Property or Casualty Insurance Companies. Receipt of interest on the 2020A Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

Financial Institutions. Financial institutions may be denied a deduction for their otherwise allowable interest expense in an amount determined by reference, in part, to their adjusted basis in the 2020A Bonds.

Foreign Personal Holding Company Income. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the 2020A Bonds held by such a company is properly allocable to the shareholder.

The opinions of Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the 2020A Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the 2020A Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the 2020A Bonds.

CONTINUING DISCLOSURE

The Authority will enter into a Continuing Disclosure Undertaking ("**Agreement**") for the benefit of the Owners of the 2020A Bonds to provide certain information and notice of certain events to the Municipal Securities Rulemaking Board ("**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 2020A 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 2020A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2020A 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 2020A 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 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 2020A Bonds, or other material events affecting the tax status of the 2020A Bonds;

7. modifications to rights of Bondholders, if material;

8. 2020A Bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the 2020A 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: (i) 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; (ii) 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 (iii) 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 2020A 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 2020A 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 2020A Bonds under the Indenture. For the avoidance of doubt, the Agreement shall be terminated upon the defeasance of all of the 2020A 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.

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.

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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). The term financial obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Securities and Exchange Commission Rule 15c2-12 promulgated under the securities Exchange Act of 1934.

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 2020A 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, 2019 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, 2019 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, 2019.

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 2020A 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 2020A Bonds is to be construed as a contract with the owners of the 2020A 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.

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 and Chief Executive Officer

APPENDIX A

FINANCIAL STATEMENTS

Audited Financial Statements for Fiscal Year Ended December 31, 2019

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, 2019, 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, 2019, 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.

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.

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Directors
Illinois State Toll Highway Authority

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, 2018, (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, 2018 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, 2018, 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 17, 2020

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

Management's Discussion and Analysis
For the Year Ended December 31, 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, 2019. 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 was phased in over 2015 - 2017, with an annual Consumer Price Index adjustment applied beginning January 1, 2018.
- During 2019, construction and professional engineering services contracts with a combined value of $836.0 million were awarded under this program, bringing total "Move Illinois" contract awards to date to $6.3 billion.
- A total of $3.1 billion of revenue bonds have been issued in 2013 - 2019 to fund the capital program.
- In addition to the "*Move Illinois*" capital program, the previously approved Congestion-Relief Program (CRP) provided for programmed capital investments. The CRP was approved in 2004, initiated in 2005, and included $5.7 billion in capital outlays. The CRP is complete.
- The Tollway's 2019 operating revenue totaled $1.5 billion, an increase of $48.1 million from the previous year. Operating expenses increased $21.5 million (to $869.7 million) primarily due to depreciation expense. Net operating income for 2019 was $614.8 million, an increase of $26.6 million from 2018.
- Amounts on deposit on behalf of I-PASS account holders increased by 3.8% at year-end to $193.8 million; approximately 90.7% 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.

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

2019 Results Compared to 2018

Operating Revenue

The Tollway's total 2019 operating revenues, totaling $1.5 billion, exceeded those of the previous year by $48.1 million (3.3%). This increase came from toll revenue which totaled $1.4 billion in 2019 (up $39.7 million (3.0%) from 2018), 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 (15.7%) than 2018, at $81.6 million in 2019 (versus $70.5 million in 2018). Miscellaneous revenue in 2019 was $2.2 million lower than 2018, due mainly to decreased I-PASS transponder replacement revenue.

Concession revenue decreased in 2019 to $1.7 million (20.2%) due to closures of oasis sites in recent years.

Operating Expenses

Operating expenses, excluding depreciation, remained fairly consistent from 2018 to 2019.

Depreciation and amortization expense increased by 6.6% to $475.6 million, from $446.2 million, in 2018. The resulting net operating income for the year, $614.8 million, increased by $26.6 million, or 4.5%, from the previous year.

Nonoperating Revenues (Expenses)

Nonoperating revenue increased by $8.9 million, due to increased investment returns and increased intergovernmental agreement revenue. 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 2019 rebate totaled $13.6 million, down from $15.2 million in 2018.

Nonoperating expenses increased by $14.7 million, due to increased interest and amortization of financing costs and increased intergovernmental agreement expense.

The net nonoperating expenses increased this year by 2.5% from $234.4 million in 2018 to $240.1 million for 2019, due to the variances noted above.

Summary of Changes in Net Position

	2019	2018
REVENUES:		
Operating revenues:		
Toll revenue	$ 1,380,750,754	$ 1,341,051,225
Toll evasion recovery	81,554,193	70,468,847
Concessions	1,717,551	2,151,574
Miscellaneous	20,483,584	22,731,739
Nonoperating revenues:		
Investment income	39,833,676	34,389,290
Revenues under intergovernmental agreements	16,469,715	11,323,831
Bond interest subsidy (Build America Bonds)	13,554,800	15,204,506
Total revenues	1,554,364,273	1,497,321,012
EXPENSES:		
Operating expenses:		
Engineering and maintenance of roadway and structures	122,363,797	107,851,143
Services and toll collection	171,529,366	181,194,076
Traffic control, safety patrol, and radio communications	44,806,282	57,373,555
Procurement, IT, finance and administration	55,443,876	55,591,666
Depreciation & Amortization	475,602,597	446,202,899
Nonoperating expenses:		
Expenses under intergovernmental agreements	16,469,715	11,323,831
Net loss on disposal of property	261,716	1,006,741
Miscellaneous	360	360
Interest expense and amortization of financing costs	293,259,340	282,950,519
Total expenses	1,179,737,049	1,143,494,790
Increase in net position	374,627,224	353,826,222
Net position, beginning of year	3,076,484,598	2,722,658,376
Net position, end of year	$ 3,451,111,822	$ 3,076,484,598

Changes in Net Position

Net operating income increased in 2019 by $26.5 million to $614.8 million. After deducting this year's net nonoperating expenses of $240.5 million, the Tollway posted an increase in net position for the year of $374.6 million compared to $353.8 million increase in net position for 2018. After this year's result, the Tollway's net position totaled $3.5 billion.

Summary of Net Position

	December 31, 2019	December 31, 2018
ASSETS		
Current and other assets	$ 2,234,036,664	$ 2,108,975,928
Capital assets - net	9,511,797,253	9,086,240,066
Total Assets	11,745,833,917	11,195,215,994
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	-	107,496,079
Net loss on bond refundings	261,180,173	71,671,157
Pension related	59,773,509	89,803,912
OPEB related	34,084,814	36,717,549
Total Deferred Outflows of Resources	355,038,496	305,688,697
LIABILITIES		
Current debt outstanding	129,260,000	118,780,000
Long-term debt outstanding	6,712,938,755	6,324,830,720
Other liabilities	1,703,509,762	1,889,575,515
Total Liabilities	8,545,708,517	8,333,186,235
DEFERRED INFLOWS OF RESOURCES		
Pension related	58,557,894	50,540,783
OPEB related	45,494,180	40,693,075
Total Deferred Inflows of Resources	104,052,074	91,233,858
NET POSITION		
Net investment in capital assets	2,879,594,594	2,672,245,715
Restricted under trust indenture agreements	458,006,472	452,437,721
Restricted for supplemental pension benefits obligations	34,129	47,147
Unrestricted	113,476,627	(48,245,985)
Total Net Position	$ 3,451,111,822	$ 3,076,484,598

Statement of Net Position

The Tollway's capital assets of $9.5 billion consisting of land, buildings, infrastructure, and equipment, constitutes 78.6% of total assets and deferred outflows of resources. The largest liabilities are revenue bonds totaling $6.8 billion, (inclusive of unamortized premiums/discounts), net pension liability of $853.8 million and net other postemployment benefits (OPEB) liability of $131.4 million, which together constitute 90.5% of total liabilities and deferred inflows of resources. The restricted net position balance, totaling $458.0 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.

The Tollway's assets increased by 4.9% to $11.7 billion, from $11.2 billion at December 31, 2018. This increase was mainly due to an increase in capital assets.

Total liabilities increased by 2.6% to $8.5 billion, from $8.3 billion at December 31, 2018. This increase was mainly due to additional bonds outstanding during 2019 of $399 million, offset by a $186.1 million decrease in accounts payable and accrued liabilities as of December 31, 2019.

 (Continued)

The Tollway's 2018 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 $9.5 billion at year-end ($9.1 billion at 12/31/2018) comprising 78.6% of total Tollway assets and deferred outflows 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.

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CAPITAL ASSETS
2019 and 2018

	January 1, 2019 Net Balance	2019 Net Activity	2019 Depreciation	December 31, 2019 Net Balance
Land	$ 614,625,720	$ 73,705,969	$ -	$ 688,331,689
Construction in progress	1,230,631,875	17,245,877	-	1,247,877,752
Buildings	13,401,076	14,531,719	(1,309,368)	26,623,427
Infrastructure	7,043,763,101	716,114,736	(387,048,700)	7,372,829,137
Machinery and equipment	183,818,294	16,880,153	(24,563,199)	176,135,248
Total	$ 9,086,240,066	$ 838,478,454	$ (412,921,267)	$ 9,511,797,253

	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

Long-Term Debt

At year-end 2019, as compared to year-end 2018, total revenue bonds payable, inclusive of original issue premium and net of current revenue bonds payable, increased by $388.1 million (to $6.7 billion). The largest contributor to the increase was $346.7 million for the 2019 Series A bond issuance to finance a portion of the *Move Illinois* capital program. Other contributors for the year ended December 31, 2019, were bond principal payments, original issue premium amortizations, and the extent to which revenue bonds issued for refunding purposes during 2019 exceeded the amount of revenue bonds refunded during 2019.

All Tollway bonds outstanding as of December 31, 2019 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 2019 was 2.76.

The following table lists, as of December 31, 2019, the Tollway's bond series and the current and noncurrent principal amounts outstanding. Amounts presented in this table do not include any unamortized original issue premiums associated with the bonds.

	December 31, 2019		
Revenue bonds payable:	**Noncurrent**	**Current**	**Total**
Issue of 2009 Series A	$ 400,000,000	$ -	$ 400,000,000
Issue of 2009 Series B	280,000,000	-	280,000,000
Issue of 2013 Series A	500,000,000	-	500,000,000
Issue of 2014 Series A	198,585,000	92,265,000	290,850,000
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	223,475,000	19,870,000	243,345,000
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
Issue of 2018 Series A	498,125,000	17,125,000	515,250,000
Issue of 2019 Series A	300,000,000	-	300,000,000
Issue of 2019 Series B	225,245,000	-	225,245,000
Issue of 2019 Series C	697,870,000	-	697,870,000
Total revenue bonds payable	$ 5,956,360,000	$ 129,260,000	$ 6,085,620,000

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. There were two swap agreements associated with each of 2007 Series A-1, 2007 Series A-2, 2008 Series A-1, and 2008 Series A-2. The Tollway utilized these swap agreements to hedge against rising interest rates and to reduce its borrowing rate (as compared to the borrowing rates obtainable through fixed rate bonds).

None of the swap agreements were outstanding as of December 31, 2019. Following is the history of the terminations of the eight swap agreements associated with the Tollway's 2007 Series A and 2008 Series A variable rate bonds:

- One of two swap agreements associated with the 2008 Series A-2 Bonds, in the notional amount of $287.3 million, was terminated in connection with the refunding of a portion of the 2008 Series A-2 Bonds on July 1, 2010.
- One of two swap agreements associated with the 2007 Series A-2 Bonds, in the notional amount of $262.5 million, and one of two swap agreements associated with the 2008 Series A-1 Bonds, in the notional amount of $189.6 million, were terminated in connection with the refunding of portions of the 2007 Series A-2 Bonds and 2008 Series A-1 Bonds on January 10, 2019.
- Two of two swap agreements associated with the 2007 Series A-1 Bonds, each in the notional amount of $175.0 million, the one remaining swap agreement associated with the 2007 Series A-2 Bonds, in the notional amount of $87.5 million, the one remaining swap agreement associated with the 2008 Series A-1 Bonds, in the notional amount of $189.6 million, and the one remaining swap agreement associated with the 2008 Series A-2 Bonds, in the notional amount of $94.825 million, were all terminated in connection with the refunding of all 2007 Series A-1 Bonds, 2007 Series A-2 Bonds, 2008 Series A-1 Bonds, and 2008 Series A-2 Bonds outstanding on December 23, 2019.

As of December 31, 2019, no swap agreements were outstanding.

As of December 31, 2019, each of the three defeased sub-series of 2007 Series A variable rate bonds was liquidity supported by a letter of credit, and the defeased sub-series of 2008 Series A-2 variable rate bonds was liquidity supported by a standby bond purchase agreement. No Tollway bonds were held by a provider of a Liquidity Facility or Credit Facility in 2019. All such letters of credit and standby bond purchase agreements supporting the 2007 Series A and 2008 Series A bonds were cancelled upon redemption in full of the 2007 Series A and 2008 Series A variable rate bonds on January 9, 2020 (see Note 22 - Subsequent Events).

Factors Impacting Future Operations

During 2019, 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, 2019
(With Summarized Comparative Totals for 2018)

	2019	2018
Assets		
Current assets:		
Current unrestricted assets:		
Cash and cash equivalents	$ 319,647,195	$ 199,600,575
Accounts receivable, less allowance for doubtful accounts of $82,489,590	30,711,519	20,223,377
Intergovernmental receivables	105,305,602	31,183,431
Accrued interest receivable	133,718	54,310
Risk management cash and cash equivalents	14,987,436	14,392,647
Investments	896,465,630	870,567,178
Prepaid expenses	4,430,831	3,039,152
Total current unrestricted assets	1,371,681,931	1,139,060,670
Current restricted assets:		
Cash and cash equivalents - debt service	166,333,664	178,457,419
Cash and cash equivalents - I-PASS accounts	193,796,386	186,712,910
Prepaid expenses restricted for debt service	1,417,082	141,818
Accrued interest receivable	1,438,996	1,024,313
Supplemental pension benefits assets	31,322	31,322
Total current restricted assets	363,017,450	366,367,782
Total current assets	1,734,699,381	1,505,428,452
Noncurrent unrestricted assets:		
Capital assets:		
Land, improvements and construction in progress	1,936,209,441	1,845,257,595
Other capital assets, net of accumulated depreciation	7,575,587,812	7,240,982,471
Total capital assets	9,511,797,253	9,086,240,066
Other noncurrent unrestricted assets:		
Intergovernmental receivable less current portion	94,603,878	212,200,376
Prepaid expenses less current portion	1,827,212	393,883
Total noncurrent unrestricted assets	96,431,090	212,594,259
Noncurrent restricted assets:		
Cash and cash equivalents - debt reserve	75,213,731	1,462,295
Investments - debt reserve	325,000,000	385,000,000
Prepaid expenses - debt reserve	2,689,655	2,896,551
Prepaid expenses - debt service - less current portion	-	1,559,998
Supplemental pension benefits assets	2,807	34,373
Total noncurrent restricted assets	402,906,193	390,953,217
Total assets	11,745,833,917	11,195,215,994
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	-	107,496,079
Net loss on bond refundings	261,180,173	71,671,157
Deferred outflows of resources - pension related	59,773,509	89,803,912
Deferred outflows of resources - OPEB related	34,084,814	36,717,549
Total deferred outflows of resources	$ 355,038,496	$ 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, 2019
(With Summarized Comparative Totals for 2018)

	2019	2018
Liabilities		
Current liabilities:		
Payable from unrestricted current assets:		
Accounts payable	$ 22,810,970	$ 39,624,446
Accrued liabilities	227,500,853	214,267,783
Accrued compensated absences	5,242,000	6,100,000
Intergovernmental agreement payable	69,006,060	126,098,774
Risk management claims payable	7,235,776	6,794,696
Deposits and retainage	51,184,077	42,054,788
Unearned revenue, net of accumulated amortization of $1,245,452	1,396,729	1,196,815
Total current liabilities payable from unrestricted current assets	384,376,465	436,137,302
Payable from current restricted assets:		
Supplemental pension benefit obligation	-	18,548
Current portion of revenue bonds payable	129,260,000	118,780,000
Accrued interest payable	114,086,656	117,853,895
Deposits and unearned revenue – I-PASS accounts	193,796,386	186,712,910
Total current liabilities payable from current restricted assets	437,143,042	423,365,353
Total current liabilities	821,519,507	859,502,655
Noncurrent liabilities:		
Revenue bonds payable, less current portion	6,712,938,755	6,324,830,720
Accrued compensated absences	3,912,599	3,450,254
Risk management claims payable	8,979,929	7,904,210
Net pension liability	853,819,076	882,540,010
Net OPEB liability	131,448,041	140,125,903
Derivative instrument liability	-	107,496,079
Unearned revenue, less accumulated amortization of $33,156.069	13,090,610	7,336,404
Total noncurrent liabilities	7,724,189,010	7,473,683,580
Total liabilities	8,545,708,517	8,333,186,235
Deferred Inflows of Resources		
Deferred inflows of resources - pension related	58,557,894	50,540,783
Deferred inflows of resources - OPEB related	45,494,180	40,693,075
Total deferred inflows of resources	104,052,074	91,233,858
Net position		
Net investment in capital assets	2,879,594,594	2,672,245,715
Restricted under the Trust Indenture	458,006,472	452,437,721
Restricted for supplemental pension benefits obligations	34,129	47,147
Unrestricted	113,476,627	(48,245,985)
Total net position	$ 3,451,111,822	$ 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 Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2019
(With Summarized Comparative Totals for 2018)

	2019	2018
Operating revenues:		
Toll revenue	$ 1,380,750,754	$ 1,341,051,225
Toll evasion recovery	81,554,193	70,468,847
Concessions	1,717,551	2,151,574
Miscellaneous	20,483,584	22,731,739
Total operating revenues	1,484,506,082	1,436,403,385
Operating expenses:		
Engineering and maintenance of roadway and structures	122,363,797	107,851,143
Services and toll collection	171,529,366	181,194,076
Traffic control, safety patrol and radio communications	44,806,282	57,373,555
Procurement, IT, finance and administration	55,443,876	55,591,666
Depreciation and amortization	475,602,597	446,202,899
Total operating expenses	869,745,918	848,213,339
Operating income	614,760,164	588,190,046
Nonoperating revenues (expenses):		
Revenues under intergovernmental agreements	16,469,715	11,323,831
Expenses under intergovernmental agreements	(16,469,715)	(11,323,831)
Net loss on disposal of property	(261,716)	(1,006,741)
Interest (expense) and amortization of financing costs	(293,259,340)	(282,950,519)
Bond interest subsidy (Build America Bonds)	13,554,800	15,204,506
Miscellaneous revenue (expense)	(360)	(360)
Investment income	39,833,676	34,389,290
Total nonoperating revenues (expenses), net	(240,132,940)	(234,363,824)
Change in net position	374,627,224	353,826,222
Net position, beginning of year as restated	3,076,484,598	2,722,658,376
Net position, end of year	$ 3,451,111,822	$ 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, 2019
(With Summarized Comparative Totals for 2018)

	2019	2018
Cash flows from operating activities:		
Cash received from sales and services	$ 1,486,358,375	$ 1,446,663,247
Cash payments to suppliers	(204,656,945)	(171,523,593)
Cash payments to employees	(176,598,176)	(171,045,075)
Net cash provided by/(used in) operating activities	1,105,103,254	1,104,094,579
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(925,858,601)	(900,582,453)
Cash received from other governments for capital assets	4,446,973	14,885,290
Proceeds from sale of property	245,334	931,997
Bond proceeds	352,513,774	-
Principal paid on revenue bonds	(118,780,000)	(113,160,000)
Bond subsidy (Build America Bonds)	13,554,800	15,204,506
Interest paid and issuance costs paid on revenue bonds	(316,796,215)	(298,597,047)
Net cash provided by/(used in) capital and related financing activities	(990,673,934)	(1,281,317,707)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	150,000,000	56,000,000
Purchase of investments	(115,898,513)	(35,490,000)
Interest on investments	40,790,195	31,591,666
Net cash provided by investing activities	74,891,682	52,101,666
Net increase/(decrease) in cash and cash equivalents	189,321,002	(125,121,462)
Cash and cash equivalents at beginning of year	580,691,540	705,813,002
Cash and cash equivalents at end of year	$ 770,012,542	$ 580,691,540
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	$ 319,647,195	$ 199,600,575
Risk management reserved cash and cash equivalents	14,987,436	14,392,647
Cash and cash equivalents restricted for debt service and debt reserve	241,547,395	179,919,714
Cash and cash equivalents – I-PASS accounts	193,796,387	186,712,909
Supplemental pension benefit assets	34,129	65,695
Total cash and cash equivalents at end of year	$ 770,012,542	$ 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, 2019
(With Summarized Comparative Totals for 2018)

	2019	2018
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 614,760,164	$ 588,190,046
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	475,602,597	446,202,899
Provision for bad debt	12,603,954	16,946,865
Amortization of unearned revenue	(1,808,890)	(1,797,928)
Pension adjustment	9,184,928	47,188,232
Other post employment benefits adjustment	(1,244,022)	(1,426,878)
Effects of changes in operating assets and liabilities:		
(Increase) in accounts receivable	(19,389,851)	(15,554,460)
(Increase) in intergovernmental receivables	(2,227,007)	2,118,549
(Increase) in prepaid expenses	(342,794)	600,507
Increase in accounts payable	3,738,792	1,285,707
(Decrease) in accrued liabilities	(1,587,961)	10,897,541
(Decrease) in accrued compensated absences	(395,655)	89,833
(Decrease) in supplemental pension obligation	(18,548)	(27,822)
Increase in intergovernmental agreement payable	60,922	4,362,774
Increase in deposits - I-PASS	7,083,477	6,291,294
Increase in unearned revenue	7,596,429	(101,009)
Increase in risk management claims payable	1,486,719	(1,171,571)
Net cash provided by operating activities	$ 1,105,103,254	$ 1,104,094,579
Noncash capital and related financing activities:		
Increase in capital asset obligations in accounts payable	$ 10,984,405	$ 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 $60.9 million in locally held funds and cash on hand at December 31, 2019, 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, are 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, 2019.

(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 Liabilitie*s, 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

There were no new accounting pronouncements that the Tollway was required to adopt in the year ended December 31, 2019.

(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. All swap agreements were terminated and no related deferrals as of December 31, 2019.

(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.

 (Continued)

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, 2019, 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 Statements 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, 2019, the Tollway's deposits were covered by FDIC insurance or eligible collateral.

(b) Schedule of Investments

As of December 31, 2019, 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*	$ 100,960,000	$ 100,960,000	$ -
Money market funds*	395,408,123	395,408,123	-
U.S. Treasury bills	349,038,353	349,038,353	-
U.S. Treasury - SLGS	325,000,000	230,000,000	95,000,000
Federal Home Loan Bank	547,427,278	547,427,278	-
Illinois Funds LGIP*	203,981,478	203,981,478	-
	$ 1,921,815,232	$ 1,826,815,232	$ 95,000,000

* 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 no Level 2 or Level 3 inputs.

The Tollway has the following recurring fair value measurements as of December 31, 2019:

Investment Type	Total	Level 1
U.S. Treasury Bills	$ 349,038,353	$ 349,038,353
Federal Home Loan Bank	547,427,278	547,427,278
	$ 896,465,631	$ 896,465,631

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 2019.

For the year ended December 31, 2019, 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:

	2019 (Moody's/S&P)	
Investment Type	**Fair Value or Amortized Cost**	**Rating**
Repurchase agreements	$ 100,960,000	Aaa/AA+u
Money market funds	395,408,123	Aaa-mf/AAAm
U.S. Treasury bills	349,038,353	Aaa/AA+u
U.S. Treasury - SLGS	325,000,000	Aaa/AA+u
Federal Home Loan Bank	547,427,278	Aaa/AA+u
Illinois Funds LGIP	203,981,478	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, 2019, the Tollway's accounts receivable balance consists of the following:

	Gross accounts receivables	Allowance for doubtful accounts	Net accounts receivable
Tolls	$ 12,915,844	$ (6,833,190)	$ 6,082,654
Toll evasion recovery	94,979,323	(72,177,688)	22,801,635
Oases receivables	84,652	-	84,652
Damage claims	348,683	(336,731)	11,952
Over dimension vehicle permit	284,712	(84,892)	199,820
Fiber optic agreements	1,433,869	(585,418)	848,451
Other	3,154,026	(2,471,671)	682,355
Total non-governmental receivables	113,201,109	(82,489,590)	30,711,519
Various local government and other state agency	80,447,051	-	80,447,051
E-Z Pass Agency Group	24,844,021	-	24,844,021
Illinois Department of Transportation	94,618,408	-	94,618,408
Total intergovernmental receivables	199,909,480	-	199,909,480
Total receivables	$ 313,110,589	$ (82,489,590)	$ 230,620,999

(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, 2019, the Tollway had $10.4 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) remediation by the Tollway of the pre-existing contamination and establishing a baseline for contamination; (2) remediation of contamination caused by the lessee(s) during the lease period; and (3) 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, and has received “No Further Remediation (NFR)” letters from the Illinois Environmental Protection Agency for all locations. 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, 2019 are as follows:

Year Ending December 31	Retail Leases	Fuel Leases	Total Leases
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
2024	607,143	689,582	1,296,725
Thereafter	1,416,664	1,609,025	3,025,689
	$ 4,452,379	$ 5,056,935	$ 9,509,314

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, 2019, are as follows:

	Balance at Jan 1, 2019	Additions and transfers in	Deletions and transfers out	Balance at Dec 31, 2019
Nondepreciable capital assets:				
Land and improvements	$ 614,625,720	$ 74,835,229	$ (1,129,260)	$ 688,331,689
Construction in progress	1,230,631,875	772,649,924	(755,404,047)	1,247,877,752
Total nondepreciable capital assets	1,845,257,595	847,485,153	(756,533,307)	1,936,209,441
Depreciable capital assets				
Buildings	58,727,864	14,531,719	-	73,259,583
Infrastructure	10,691,491,390	774,654,561	(58,539,825)	11,407,606,126
Machinery and equipment	423,498,154	20,453,476	(3,573,323)	440,378,307
Total depreciable capital assets	11,173,717,408	809,639,756	(62,113,148)	11,921,244,016
Less accumulated depreciation				
Buildings	(45,326,788)	(1,309,368)	-	(46,636,156)
Infrastructure	(3,647,728,289)	(445,588,525)	58,539,825	(4,034,776,989)
Machinery and equipment	(239,679,860)	(27,620,444)	3,057,245	(264,243,059)
Total accumulated depreciation	(3,932,734,937)	(474,518,337)	61,597,070	(4,345,656,204)
Total depreciable assets, net	7,240,982,471	335,121,419	(516,078)	7,575,587,812
Total capital assets, net	$ 9,086,240,066	$ 1,182,606,572	$ (757,049,385)	$ 9,511,797,253

(7) Long-Term Accounts Receivable

As of December 31, 2019, long-term accounts receivable consisted of the following:

Illinois Department of Transportation	$ 94,603,878

Long-term accounts receivable represent the noncurrent amount due under intergovernmental agreements for cost-sharing construction projects. In 2019, Tollway and the Northwest Suburban Municipal Joint Action Water Agency (NSMJAWA) agreed that the $65,615,000 receivable amount due to Tollway would be paid back, and therefore, as of December 31, 2019, it was classified as a current intergovernmental receivable, not long-term. On April 28, 2020, the Tollway received payment of $65,615,000 from the NSMJAWA, under the terms of an intergovernmental agreement between the Tollway and the Agency, for costs associated with the relocation and replacement of the Agency's transmission main and related facilities in and along the right of way on the Jane Addams Memorial Tollway (for further information see Note 22 – Subsequent Events).

(8) Revenue Bonds Payable

Changes in revenue bonds payable for the year ended December 31, 2019 are as follows:

	Balance at Jan 1, 2019*	Additions	Deletions	Balance at Dec 31, 2019	Due within one year
2007 Series A-1 & A-2	$ 700,000,000	$ -	$ (700,000,000)	$ -	$ -
2008 Series A-1 & A-2	476,525,000	-	(476,525,000)	-	-
2009 Series A	500,000,000	-	(100,000,000)	400,000,000	-
2009 Series B	280,000,000	-	-	280,000,000	-
2010 Series A-1	277,820,000	-	(277,820,000)	-	-
2013 Series A	500,000,000	-	-	500,000,000	-
2014 Series A	378,720,000	-	(87,870,000)	290,850,000	92,265,000
2014 Series B	500,000,000	-	-	500,000,000	-
2014 Series C	400,000,000	-	-	400,000,000	-
2014 Series D	248,555,000	-	(5,210,000)	243,345,000	19,870,000
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	-
2018 Series A	-	515,250,000	-	515,250,000	17,125,000
2019 Series A	-	300,000,000	-	300,000,000	-
2019 Series B	-	225,245,000	-	225,245,000	-
2019 Series C	-	697,870,000	-	697,870,000	-
Totals	$ 5,994,680,000	$ 1,738,365,000	$ (1,647,425,000)	$ 6,085,620,000	$ 129,260,000
Current portion of revenue bonds payable	(118,780,000)	(129,260,000)	118,780,000	(129,260,000)	
Unamortized bond premium	448,930,720	345,157,504	(37,509,469)	756,578,755	
Revenue bonds payable net of current portion, plus unamortized bond premium	$ 6,324,830,720	$ 1,954,262,504	$ (1,566,154,469)	$ 6,712,938,755	

*The January 1, 2019 balances are before any payments of principal due on January 1, 2019.

(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 scheduled to 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 and remained in a weekly interest rate mode. On March 18, 2011, the Series 2007A Bonds were mandatorily tendered and remarketed as six separate sub-series, each of which is described below. All Series 2007A Bonds were refunded in connection with either the Tollway's 2018 Series A bonds issued on January 10, 2019 or its 2019 Series C bonds issued on December 23, 2019.

(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"). During 2019, the Series 2007A-1a Bonds were 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 Series 2007A-1a Bonds were refunded and defeased in connection with the issuance of the Tollway's Series 2019C Bonds on December 23, 2019. The Series 2007A-1a Bonds were redeemed in full, at a redemption price of 100% of the principal amount plus accrued interest, on January 9, 2020, upon which the 2007A-1a Credit Facility was cancelled (see Note 22 - Subsequent Events).

(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"). During 2019, the Series 2007A-1b Bonds were 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 Series 2007A-1b Bonds were refunded and defeased in connection with the issuance of the Tollway's Series 2019C Bonds on December 23, 2019. The Series 2007A-1b Bonds were redeemed in full, at a redemption price of 100% of the principal amount plus accrued interest, on January 9, 2020, upon which the 2007A-1b Credit Facility was cancelled (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"). During 2019, the Series 2007A-2a Bonds were 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 Series 2007A-2a Bonds were refunded and redeemed, at a redemption price of 100% of the principal amount plus accrued interest, in connection with the issuance of the

Tollway's Series 2018A Bonds on January 10, 2019. The 2007A-2a Credit Facility was cancelled on January 10, 2019, upon redemption in full of the Series 2007A-2a Bonds.

(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"). During 2019, the Series 2007A-2b Bonds were 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 Series 2007A-2b Bonds were refunded and redeemed, at a redemption price of 100% of the principal amount plus accrued interest, in connection with the issuance of the Tollway's Series 2018A Bonds on January 10, 2019. The 2007A-2b Credit Facility was cancelled on January 10, 2019, upon redemption in full of the Series 2007A-2b Bonds.

(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"). During 2019, the Series 2007A-2c Bonds were 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 Series 2007A-2c Bonds were refunded and redeemed, at a redemption price of 100% of the principal amount plus accrued interest, in connection with the issuance of the Tollway's Series 2018A Bonds on January 10, 2019. The 2007A-2c Credit Facility was cancelled on January 10, 2019, upon redemption in full of the Series 2007A-2c Bonds (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"). During 2019, the Series 2007A-2d Bonds were 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 Series 2007A-2d Bonds were refunded and defeased in connection with the issuance of the Tollway's Series 2019C Bonds on December 23, 2019. The Series 2007A-2d Bonds were redeemed in full on January 9, 2020, upon which the 2007A-2d Credit Facility was cancelled (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 in connection with the Tollway's issuance of $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 scheduled to 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, each of which is described below. All of the three sub-series of Series 2008A Bonds described below were refunded in connection with either the Tollway's 2018 Series A bonds issued on January 10, 2019 or its 2019 Series C bonds issued on December 23, 2019.

(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 and remained in a weekly interest rate mode. During 2019, the Series 2008A-1a Bonds were liquidity supported by a standby bond purchase agreement dated as of February 1, 2011, as amended, among the Tollway, the Trustee, and JPMorgan Chase Bank, N.A. (the "2008A-1a Liquidity Facility"). The Series 2008A-1a Bonds, in then-outstanding amount of $189,600,000, were refunded and redeemed, at a redemption price of 100% of the principal amount plus accrued interest, in connection with the issuance of the Tollway's Series 2018A Bonds on January 10, 2019, upon which the 2008A-1a Liquidity Facility was cancelled.

(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. The Series 2008A-1b Bonds, in then-outstanding amount of $189,600,000, were refunded and defeased in connection with the issuance of the Tollway's Series 2019C Bonds on December 23, 2019. The Series 2008A-1b Bonds were redeemed in full on January 9, 2020.

(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 and remained in a weekly interest rate mode. During 2019, the Series 2008A-2 Bonds were liquidity supported by a standby bond purchase agreement dated as of February 1, 2011, as amended, among the Tollway, the Trustee, and JPMorgan Chase Bank, N.A. (the "2008A-2 Liquidity Facility"). The Series 2008A-2 Bonds, in then-outstanding amount of $94,825,000, were refunded and defeased in connection with the issuance of the Tollway's Series 2019C Bonds on December 23, 2019. The Series 2008A-2 Bonds were redeemed in full on January 9, 2020, upon which the 2008A-2 Liquidity Facility was cancelled (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; 6.2% for subsidies received between October 2018 and September 2019; and 5.9% for subsidies received between October 2019 and September 2020 (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 term bond maturing January 1, 2024, then-outstanding in an amount of $78,060,000, was refunded and redeemed, at a redemption price of 100% of the principal amount plus accrued interest, in connection with the issuance of the Tollway's Series 2018A Bonds on January 10, 2019. 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. The bonds are not insured.

(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 bonds were refunded and defeased in connection with the issuance of the Tollway's Series 2019B Bonds on November 14, 2019.

(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 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.

(i) 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.

(j) 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.

(k) 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 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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 2019 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.

(q) Series 2018A Bonds

On January 10, 2019, the Tollway issued $515,250,000 of Toll Highway Senior Revenue Bonds, 2018 Series A (Refunding). The bonds refunded $262,500,000 of the 2007 Series A-2 Bonds, the $189,600,000 2008 Series A-1a Bonds, and the $78,060,000 2009 Series A Bonds scheduled to mature on January 1, 2024. The bonds also financed costs of issuance and costs of terminating two variable-to-fixed interest rate exchange agreements (swaps) associated with the refunded bonds. The bonds were sold as serial bonds maturing on January 1 of each of the years 2020 through 2031 and were sold bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of $79,372,651. The bonds are subject to optional redemption on or after January 1, 2029, at a redemption price of 100% of the principal amount plus accrued interest. The purpose of the refunding was to reduce risks related to variable interest rates and third-party agreements.

(r) Series 2019A Bonds

On July 11, 2019, the Tollway issued $300,000,000 of Toll Highway Senior Revenue Bonds, 2019 Series A. This issuance was the eighth 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 2036 through 2041 and two term bonds maturing January 1, 2044. Bonds were sold bearing interest rates ranging from 3.0% to 5.0%. The bonds were sold at yields which produced an original issue premium of $47,215,820. The bonds are subject to optional redemption on or after July 1, 2029, at a redemption price of 100% of the principal amount plus accrued interest. The term bonds maturing January 1, 2044 are each subject to sinking fund redemption prior to maturity. The bonds were not insured.

(s) Series 2019B Bonds

On November 14, 2019, the Tollway issued $225,245,000 of Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding). The bonds refunded $276,560,000 of the Toll Highway Senior Refunding Revenue Bonds, 2010 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 2025 through 2031 and were sold bearing interest rates ranging from 3.50% to 5.25%. The bonds were sold as serial bonds maturing on January 1, 2031 bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of $51,916,736. The bonds are subject to optional redemption on or after January 1, 2030, 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 $69.2 million. The present value of such savings was estimated at $62.2 million at the time of the transaction's closing.

(t) Series 2019C Bonds

On December 23, 2019, the Tollway issued $697,870,000 of Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding). The bonds refunded the Tollway's $350,000,000 2007 Series A-1 Bonds, $87,500,000 2007 Series A-2d Bonds, $189,600,000 2008 Series A-1b Bonds, and $94,825,000 2008 Series A-2 Bonds. The bonds also financed costs of issuance and costs of terminating five variable-to-fixed interest rate exchange agreements (swaps) associated with the refunded bonds. The bonds were sold as serial bonds maturing on January 1 of each of the years 2022 through 2031 and were sold bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of $166,652,297. The bonds are subject to optional redemption on or after January 1, 2030, at a redemption price of 100% of the principal amount plus accrued interest. The purpose of the refunding was to reduce risks related to variable interest rates and third-party agreements.

(u) Defeased Bonds

As of December 31, 2019, there was $998,485,000 (par amount) of defeased Tollway revenue bonds outstanding.

On November 14, 2019, the Tollway issued $225,245,000 of Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding) ("refunding bonds") in connection with the refunding of $276,560,000 of Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1 ("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 payments on the refunded bonds of interest due on January 1, 2020, principal maturing on January 1, 2020, and the redemption on January 1, 2020 of all other principal of the refunded bonds. The refunded bonds were deemed defeased and the liability for those bonds was removed from the statement of net position as of November 14, 2019. The refunded bonds were paid off in full on January 2, 2020, the first business day after the holiday January 1, 2020.

On December 23, 2019, the Tollway issued $697,870,000 of Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding) ("refunding bonds") in connection with the refunding of the Tollway's $350,000,000 2007 Series A-1 Bonds, $87,500,000 2007 Series A-2d Bonds, $189,600,000 2008 Series A-1b Bonds, and $94,825,000 2008 Series A-2 Bonds (collectively the "refunded bonds"). Net proceeds from the refunding bonds were used to purchase U.S. government securities that were, together with a cash balance, deposited into an irrevocable trust with an escrow agent to provide for the interest and principal payments on the refunded bonds through January 9, 2020. The refunded bonds were deemed defeased and the liability for those bonds was removed from the statement of net position as of December 23, 2019. The refunded bonds were paid off in full on January 9, 2020.

(v) All Series

Details of outstanding revenue bonds as of December 31, 2019 are as follows:

Issue of 2009 Series A, 6.184% due on January 1, 2032-2034	$	400,000,000
Issue of 2009 Series B, 5.851% due on December 1, 2034		280,000,000
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, 2020-2022		290,850,000
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		243,345,000
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
Issue of 2018 Series A, 5.00% due on January 1, 2020-2031		515,250,000
Issue of 2019 Series A, 3.00% due on January 1, 2038, 4.00% due on January 1, 2037, 2039 and 2042-2044, and 5.00% due on January 1, 2036 and 2040-2044		300,000,000
Issue of 2019 Series B, 5.00% due on January 1, 2025-2031		225,245,000
Issue of 2019 Series C, 5.00% due on January 1, 2022-2031		697,870,000
Total revenue bonds payable	$	6,085,620,000
Less current portion	$	(129,260,000)
Plus unamortized bond premium		756,578,755
Long-term portion of revenue bonds payable plus unamortized bond premium	$	6,712,938,755

Accrued interest payable as of the year ended December 31, 2019, was $114,086,656.

The annual requirements to retire principal and pay interest on all bonds outstanding at December 31, 2019, all of which are fixed interest rate bonds, are as follows.

Year ending December 31	Principal	Interest	Total Debt Service
2020	$ 129,260,000	$ 287,673,260	$ 416,933,260
2021	136,505,000	302,374,675	438,879,675
2022	145,415,000	295,447,800	440,862,800
2023	45,925,000	288,121,425	334,046,425
2024	155,025,000	283,097,675	438,122,675
2025	162,715,000	275,154,175	437,869,175
2026	187,530,000	266,398,050	453,928,050
2027	231,265,000	255,928,175	487,193,175
2028	242,700,000	244,079,050	486,779,050
2029	255,135,000	231,633,175	486,768,175
2030	268,090,000	218,552,550	486,642,550
2031	444,185,000	204,813,675	648,998,675
2032	310,030,000	186,272,048	496,302,048
2033	147,435,000	169,763,900	317,198,900
2034	614,505,000	155,745,402	770,250,402
2035	74,300,000	127,587,500	201,887,500
2036	369,925,000	116,481,875	486,406,875
2037	388,175,000	97,549,375	485,724,375
2038	407,400,000	77,720,000	485,120,000
2039	417,200,000	57,235,000	474,435,000
2040	417,800,000	36,450,000	454,250,000
2041	260,100,000	19,502,500	279,602,500
2042	135,000,000	9,767,500	144,767,500
2043	70,000,000	4,902,500	74,902,500
2044	70,000,000	1,635,000	71,635,000
Total	$ 6,085,620,000	$ 4,213,886,286	$ 10,299,506,286

(w) Capitalized Interest

In 2018, the Tollway implemented GASB 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 89 changed this requirement prospectively. As of December 31, 2019, the Tollway continues to amortize previously capitalized interest with an unamortized balance of $131.8 million.

(x) Trust Indenture Agreement

All Tollway bonds outstanding as of December 31, 2019, 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.

(y) 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, 2019, no arbitrage rebate liability had accrued.

(9) Derivative Instruments

The Tollway has no derivative instruments outstanding as of December 31, 2019.

In connection with the issuances of the Tollway variable rate bonds that were outstanding during 2019, 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 paid 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 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 were associated with the 2008 Series A-1 bonds and one of which was associated with the 2008 Series A-2 bonds. Four of the swaps became effective November 1, 2007, two of which were associated with the 2007 Series A-1 bonds and two of which were associated with the 2007 Series A-2 bonds.

On January 10, 2019, the Tollway issued $515,250,000 of Toll Highway Senior Revenue Bonds, 2018 Series A (Refunding), to, among other uses, refund a portion of the 2007 Series A-2 variable rate bonds and all of the 2008 Series A-1a variable rate bonds, and to fund termination payments totaling $62,588,000 related to the termination of two variable-to-fixed interest rate exchange agreements (swaps), one associated with each of the aforementioned two series of bonds.

On December 23, 2019, the Tollway issued $697,870,000 of Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding), to refund all remaining variable rate bonds of the Tollway, consisting of 2007 Series A-1a, 2007 Series A-1b, 2007 Series A2d, 2008 Series A-1b, and 2008 Series A-2, and to fund termination payments totaling $143,610,911 related to the termination of five variable-to-fixed interest rate exchange agreements (swaps), one associated with each of the aforementioned five series of bonds.

The derivative instrument liability and corresponding accumulated decrease in fair value of hedging derivatives as of December 31, 2018, each in the amounts $107,496,079, are removed as of December 31, 2019 to reflect the fact that all swaps were terminated prior to December 31, 2019 and the Tollway has no swaps or other derivative instruments outstanding as of December 31, 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 $43,159,923 in upfront payments; the related revenue will be earned over the lease terms.

The total unearned revenue balance for the fiber optic system was $43,603,130 at December 31, 2019, and the amount earned was $30,069,313 through December 31, 2019.

The Tollway also invoices annual fiber optic maintenance fees. At December 31, 2019, 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 and on October 1, 2019, a three-month extension was executed. The unearned portion of the sponsorship fee paid by Travelers in 2019 has been recorded as unearned revenue. An additional 3-year agreement was executed in January, 2020.

(Continued)

A summary of changes in unearned revenue for the year ended December 31, 2019, is as follows:

	Balance at January 1	Current Year Activity	Balance at December 31	Current Portion
Unearned revenue				
Fiber optics and co-location	$ 36,007,373	$ 7,595,757	$ 43,603,130	$ 1,688,659
Accumulated amortization	(28,260,423)	(1,808,890)	(30,069,313)	(1,245,452)
	7,746,950	5,786,867	13,533,817	443,207
Intergovernmental agreements	310,477	618,003	928,480	928,480
Accumulated amortization	-	-	-	-
	310,477	618,003	928,480	928,480
H.E.L.P. truck advertising revenue	3,606,000	751,250	4,357,250	25,042
Accumulated amortization	(3,130,208)	(1,202,000)	(4,332,208)	-
	475,792	(450,750)	25,042	25,042
Totals				
Unearned revenue	39,923,850	8,965,010	48,888,860	2,642,181
Accumulated amortization	(31,390,631)	(3,010,890)	(34,401,521)	(1,245,452)
Net deferred revenue	$ 8,533,219	$ 5,954,120	$ 14,487,339	$ 1,396,729

(11) Restricted Net Position

As of December 31, 2019, the Tollway reported the following restricted net position:

Description	December 31, 2019
Net position restricted under Trust Indenture Agreement	$ 458,006,472
Restricted for pension benefit obligation	34,129
Total	$ 458,040,601

(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 2019 are also included in the state's CAFR for the year ended June 30, 2019.

As of June 30, 2019, the breakdown of employees participating or benefitting from SERS, as a whole, is as follows:

Active employees	62,026
Retirees and beneficiaries currently receiving benefits	74,589
Inactive employees entitled to but not yet receiving benefits	25,706

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 the SERS CAFR, write, call, or email:

State Employees' Retirement System
2101 S. Veterans Parkway
Springfield, IL 62794-9255
(217) 785-7444
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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(Continued)

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 2019 is $114,952.
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 $114,952 for 2019 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 2019, 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 2019, the employer contribution rate was 51.614%. For state fiscal year 2020, the employer contribution rate is 54.290%. The Tollway's contribution amount for calendar year 2019 was $59,411,115.

The Tollway has made all required contributions through December 31, 2019.

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, 2019, the Tollway reported a liability of $853,819,076 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, 2019 (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, 2019. As of the current year measurement date of June 30, 2019, the Tollway's proportion was 2.5568%, which was a decrease of 0.1130% from its proportion of 2.6698% measured as of the prior year measurement date of June 30, 2018.

The change in the net pension liability allocated to the Tollway for the year ended December 31, 2019, is as follows:

	Balance January 1	Additions	Deletions	Balance December 31	Amounts due within one year
Net Pension Liability	$ 882,540,010	$ 67,395,991	$ (96,116,925)	$ 853,819,076	$ -

For the year ended December 31, 2019, the Tollway recognized pension expense of $67.4 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, 2019, 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	$ -	$ 10,676,278
Changes in assumptions	23,798,111	12,325,512
Net difference between projected and actual investment earnings on pension plan investments	-	1,246,274
Changes in proportion and differences between Tollway contributions and proportionate share of contributions	6,269,683	34,309,830
Tollway contributions subsequent to the measurement date	29,705,715	-
	$ 59,773,509	$ 58,557,894

The $29.7 million reported as deferred outflows 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, 2020.

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
12/31/2020	$	1,681,093
12/31/2021		(17,530,718)
12/31/2022		(8,881,229)
12/31/2023		(3,759,249)
Total	$	(28,490,103)

Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality: The post-retirement mortality tables were updated to the Pub-2010 General Healthy Retiree Mortality tables for Regular Formula members and the Pub-2010 Public Safety Healthy Retiree Mortality tables for Alternative Formula members, sex distinct. The pre-retirement mortality tables were updated to the Pub-2010 General Employee Mortality tables for Regular Formula members and the Pub-2010 Public Safety Employee Mortality tables for Alternative Formula members. The mortality improvement factors were updated to the most recently published projection scale, MP-2018.

Inflation: 2.25%

Investment Rate of Return: 6.75%, 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.

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, 2019, 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%	4.8%
Developed Foreign Equity	13.0%	4.6%
Emerging Market Equity	8.0%	6.9%
Private Equity	7.0%	6.8%
Intermediate Investment Grade Bonds	14.0%	0.7%
Long-Term Government Bonds	4.0%	1.0%
TIPS	4.0%	0.8%
High Yield and Bank Loans	5.0%	2.7%
Opportunistic Debt	8.0%	4.2%
Emerging Market Debt	2.0%	2.7%
Real Estate	10.0%	4.4%
Infrastructure	2.0%	4.1%
Total	100.0%	

Discount Rate

A discount rate of 6.47% was used to measure the total pension liability as of June 30, 2019. This single blended discount rate was based on the expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.13%. 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 2073 at June 30, 2019. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

(Continued)

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 6.47%, 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, 2019:

	June 30, 2019		
	1% decrease (5.47%)	Current Discount Rate (6.47%)	1% increase (7.47%)
Tollway's net pension liability	$1,032,592,285	$853,819,076	$706,834,940

Payables to the Pension Plan

At December 31, 2019, 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 2020, the annual cost of the basic program of group health, dental, and vision benefits before the State's contribution was $11,681 ($6,704 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and $14,959 ($5,592 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, 2019, the Tollway recorded a liability of $131,448,041 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, 2019, was measured as of June 30, 2019, with an actuarial valuation as of June 30, 2018. 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, 2019. As of the current year measurement date of June 30, 2019, the Tollway's proportion was .2995%.

For the year ended December 31, 2019, the Tollway recognized OPEB expense of $2.9 million.

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At December 31, 2019, the Tollway reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2019, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 188,697	$ 2,005,229
Changes in assumptions	4,570,007	8,111,400
Changes in proportion	26,938,101	35,377,551
Tollway contributions subsequent to the measurement date	2,388,009	-
	$ 34,084,814	$ 45,494,180

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, 2020. 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
12/31/2020	$ (5,506,137)
12/31/2021	(5,506,137)
12/31/2022	(144,087)
12/31/2023	(2,175,120)
12/31/2024	(465,894)
	$ (13,797,375)

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, 2018, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2018.

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB liability
Inflation Rate	2.50%
Projected Salary Increases	3.00% - 7.42%
Discount Rate	3.13%
Healthcare Cost Trend Rate Non-Medicare	8.0%, gradually decreasing to 4.5%. Additional trend rate of 0.39% is added to non-Medicare cost on and after 2021 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 2019 and 2020 are based on actual premiums. Premiums after 2020 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, 2018 valuations for GARS, JRS, SERS, TRS, and SURS as follows:

Plan	Mortality
GARS	Post-Retirement Mortality: RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, with rates set forward one year for males and set back one year for females and generational mortality improvement using MP-2014 two-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements. Pre-Retirement Mortality: including terminated vested members prior to attaining age 50. RP-2014 White Collar Total Employee mortality table, sex distinct and generational mortality improvement using MP-2014 two-dimensional mortality improvement scales recently released by the SOA, to reflect that experience shows active members having lower mortality rates than retirees of the same age.
JRS	Post-Retirement Mortality: RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, with rates set forward one year for males and set back one year for females and generational mortality improvement using MP-2014 two-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements. Pre-Retirement Mortality: including terminated vested members prior to attaining age 50. RP-2014 White Collar Total Employee mortality table, sex distinct and generational mortality improvement using MP-2014 two-dimensional mortality improvement scales recently released by the SOA, to reflect that experience shows active members having lower mortality rates than retirees of the same age.
SERS	Post-Retirement Mortality: 105 percent of the RP-2014 Healthy Annuitant mortality tables, sex distinct, with generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales recently released by the Society of Actuaries. This assumption provides a margin for future mortality improvements. No adjustment is made for post-disabled mortality. Pre-Retirement Mortality: Including Terminated Vested Members prior to Attaining Age 50: Based on a percentage of 75 percent for males and 90 percent for females of the RP-2014 Total Employee mortality table with generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales, to reflect that experience shows active members having lower mortality rates than retirees of the same age. Five percent of deaths among active employees are assumed to be in the performance of their duty.
TRS	Health Life Mortality, Post Retirement: RP-2014 White Collar Annuitant Tables, sex distinct with female rates multiplied by 70% for ages under 78 and 110% for ages 78 to 114, and males rates multiplied by 94% for ages under 81 and 110% for ages 81 to 114. Healthy Life Mortality, Post-Retirement Beneficiary: RP-2014 Annuitant Tables, sex distinct with female and male rates multiplied by 96% and 116%, respectively, for ages 50 to 114. Healthy Life Mortality, Pre-Retirement: RP-2014 White Collar Mortality Tables, sex distinct with female and male rates multiplied by 104% for all ages. Disabled Life Mortality, Post-Retirement: RP-2014 Disabled Tables, sex distinct with female and male rates multiplied by 117% for ages 45 to 99. Future annual improvements in mortality are based on the Society of Actuaries Mortality Projection Scale MP-2017.
SURS	Future mortality improvements are reflected by projecting the base mortality tables back from the year 2014 to the year 2006 using the Society of Actuaries (SOA) MP-2014 scale (referred to as the RP-2006 base mortality tables) and projecting from 2006 using the SOA MP-2017 projection scale. The assumptions are generational mortality tables and include a margin for improvement.

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 3.62% at June 30, 2018, and 3.13% at June 30, 2019, 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, 2019	
1% Decrease[(a)]	Current Single Discount Rate Assumption	1% Increase[(b)]
$ 154,814,669	$ 131,448,041	$ 112,757,039

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 2020 decreasing to an ultimate trend rate of 4.89% in 2027, for non-Medicare coverage, and 9.0% in 2020 decreasing to an ultimate trend rate of 4.5% in 2029 for Medicare coverage.

	June 30, 2019	
1% Decrease[(a)]	Healthcare Cost Trend Rates Assumption	1% Increase[(b)]
$ 110,219,695	$ 131,448,041	$ 158,942,122

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.89% in 2027 for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2029 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2020, decreasing to an ultimate trend rate of 5.89% in 2027 for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2029 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 $15,490,929 and incurred but not reported employee health claims of $724,776 as of December 31, 2019, are included in the accompanying financial statements.

Changes in workers' compensation claims payable for the year ended December 31, 2019, are as follows:

Balance at January 1	Additions	Deletions	Balance at December 31	Current Portion
$ 14,004,210	$ 6,511,110	$ (5,024,391)	$ 15,490,929	$ 6,511,000

Changes in health insurance claims payable for the year ended December 31, 2019, are as follows:

Balance at January 1	Additions	Deletions	Balance at December 31	Current Portion
$ 694,696	$ 16,319,436	$ (16,289,356)	$ 724,776	$ 724,776

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, 2019, are as follows:

Balance at January 1	Accrued	Used	Balance at December 31	Due within one year
$ 9,550,256	$ 5,241,882	$ (5,637,539)	$ 9,154,599	$ 5,242,000

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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. Beginning in March, 2020, revenues were adversely impacted by the COVID 19 pandemic. See Note 22 – Subsequent Events.

		December 31, 2019	
Bond issue	Purpose	Future pledged revenues	Term of commitment
2009 Series A Senior Priority Revenue (Build America Bonds - Direct Payment)	Fund Congestion-Relief Program	$ 746,021,700	2034
2009 Series B Senior Priority Revenue (Build America Bonds - Direct Payment)	Fund Congestion-Relief Program	525,742,000	2034
2013 Series A Senior Revenue	Fund *Move Illinois* Program	895,499,750	2038
2014 Series A (Refunding) Senior Revenue	Refund 2005A Bonds	320,396,700	2022
2014 Series B Senior Revenue	Fund *Move Illinois* Program	918,625,000	2039
2014 Series C Senior Revenue Bonds	Fund *Move Illinois* Program	731,400,000	2039
2014 Series D (Refunding) Senior Revenue	Refund 2006A Bonds	286,173,875	2025
2015 Series A Senior Revenue Bonds	Fund *Move Illinois* Program	767,482,500	2040
2015 Series B Senior Revenue	Fund *Move Illinois* Program	767,482,500	2040
2016 Series A (Refunding) Senior Revenue	Refund 2008B Bonds	535,158,000	2032
2016 Series B Senior Revenue	Fund *Move Illinois* Program	580,700,000	2041
2017 Series A Senior Revenue	Fund *Move Illinois* Program	590,935,000	2042
2018 Series A (Refunding) Senior Revenue	Refund portions of 2007A, 2008A, 2009A Bonds	716,841,500	2031
2019 Series A Senior Revenue	Fund *Move Illinois* Program	615,402,500	2031
2019 Series B (Refunding) Senior Revenue	Refund 2010A-1 Bonds	315,302,349	2044
2019 Series C (Refunding) Senior Revenue	Refund 2007A, 2008A Bonds	986,342,911	2031
		$ 10,299,506,285	

Proceeds from the bonds identified above provided financing or refinancing for the construction and/or improvement of the various toll highway systems in Illinois. Future projected principal and interest payments on the bonds are expected to require approximately 30% of future pledged net revenue (incorporating approved, as of December 31, 2019, future toll rate increases for commercial vehicles). The total principal and interest remaining to be paid on the bonds is $10.3 billion. Principal and interest paid in the current year was $421 million and total pledged net revenue in the current year was $1.2 billion.

(17) Commitments

At December 31, 2019, the remaining obligations against current contracts open for capital programs for CRP and "*Move Illinois*" totaled $1.6 billion. The Tollway plans to fund remaining payments under these contracts through revenues, accumulated cash, and bond issue proceeds.

(18) Pending Litigation

There are pending claims and lawsuits against the Tollway, which, among other things, seek damages arising out of alleged personal injury, unpaid health insurance contributions, wrongful discharge and other employment-related matters. Generally, the Tollway's exposure is 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.

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 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, 2019.

(20) New Governmental Accounting Standards

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

GASB Statement No. 83 – *Certain Asset Retirement Obligations* – This statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). an ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement is effective for fiscal years beginning after June 15, 2019. This statement will not 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, 2019. This statement will not 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 June 15, 2021. 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* – The objective of this statement is to improve the information that is disclosed in governmental financial statements related to debt. This statement is effective for years beginning after June 15, 2019. This statement will not materially impact the Tollway's financial statements.

GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* – 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, 2019. This statement will not impact 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, 2021. Management has not yet determined the impact of this statement on the Tollway's financial statements.

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* – This statement postponed the effective dates of previously issued GASB pronouncements due to the COVID-19 pandemic. The revised effective dates are reflected for the pronouncements listed in this footnote.

(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 $94.6 million are recorded at December 31, 2019, representing construction projects performed by the Tollway that pertain to the infrastructure owned by IDOT. Accrued liabilities totaling approximately $37.4 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, 2020, 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.

In connection with the Tollway's issuance of Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding) on December 23, 2019 to refund the Tollway's outstanding variable rate bonds, which included the Series 2007A-1a Bonds, Series 2007A-1b Bonds, Series 2007A-2d Bonds, and Series 2008A-2 Bonds, such refunded bonds were redeemed in full on January 9, 2020, subsequent to which the Credit Facility provided by Landesbank Hessen-Thüringen Girozentrale, New York Branch in support of the Series 2007A-1a Bonds, Credit Facilities provided by Bank of America, N.A. in support of the Series 2007A-1b Bonds and Series 2007A-2d Bonds, and Liquidity Facility provided by JPMorgan Chase Bank, N.A. in support of the Series 2008A-2 Bonds were cancelled.

On March 9, 2020, in response to the COVID-19 pandemic, Illinois Governor JB Pritzker declared all counties in the State of Illinois a disaster area and ordered all Illinois schools closed by March 17, 2020. On March 14, 2020, the Tollway implemented all-electronic tolling on its roadways. On March 20, 2020, the Governor issued a stay-at-home order for all Illinois residents effective March 21, 2020. As a result of these events and the severe economic contraction resulting from the COVID-19 pandemic and response thereto, the Tollway's toll and evasion recovery revenue in the first five months of 2020 experienced a significant decline, as compared to the first five months of 2019. Significant portions of the Governor's stay-at-home order were lifted on May 29, 2020. Traffic volumes improved in the period May 29, 2020 through the date of this report (June 17, 2020).

On April 28, 2020, the Tollway received payment of $65,615,000 from the Northwest Suburban Municipal Joint Action Water Agency ("Agency"), to reimburse the Tollway, under the terms of an intergovernmental agreement between the Tollway and the Agency, for costs associated with the relocation and replacement of the Agency's transmission main and related facilities in and along the right of way on the Jane Addams Memorial Tollway.

On May 21, 2020, the Tollway Board of Directors authorized the issuance of up to $900,000,000 of senior-lien fixed rate revenue bonds for the purposes of refunding all or portions of the 2013A Bonds and 2014B Bonds.

On May 21, 2020, the Tollway's Board of Directors authorized agreements with the Union Pacific Railroad and Soo Line Railroad Company d/b/a Canadian Pacific for, among other things (i) the purchase of land, property rights, access rights and air rights from the railroads, which are necessary to proceed with the Elgin O'Hare Western Access Project, and (ii) compensation for business impacts and future maintenance costs. The agreements are estimated to cost the Tollway approximately $255 million.

The Tollway has been notified by the U.S. Treasury of a 5.9% reduction in U.S. Treasury subsidies of Build America Bond interest payments for the federal fiscal year ending September 30, 2020. This reduction is expected to reduce the subsidies earned by the Tollway for: the Series 2009B interest payment due June 1, 2020; and the Series 2009A interest payment due July 1, 2020. The total amount of such reductions is expected to be $424,552.

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, 2019

Last 10 Fiscal Years**

	SERS Fiscal Year Ended June 30,					
	2019	**2018**	**2017*** **	**2016**	**2015**	**2014**
Tollway's proportion of the net pension liability*	2.5568%	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	$ 853,819,076	$ 882,540,010	$ 888,456,774	$ 900,824,457	$ 733,523,053	$ 727,079,026
Tollway's covered payroll	$ 115,464,445	$ 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	739.46%	799.74%	798.78%	808.07%	649.44%	655.15%
Plan fiduciary net position as a percentage of the total pension liability	35.64%	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 six 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, 2019

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2019	$ 76,600,914	$ 59,411,115	$ 17,189,799	$ 113,210,062	52.48%
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 six 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 statutorially required contribution.

See accompanying independent auditors' report.

Schedule 3

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, 2019

Last 10 Fiscal Years**

	Fiscal Year Ended June 30,		
	2019	**2018**	**2017**
Tollway's proportion of the net OPEB liability*	0.2995%	0.3495%	0.2520%
Tollway's proportionate share of the net OPEB liability	$ 131,448,041	$ 140,125,903	$ 104,136,124
Tollway's covered-employee payroll	$ 115,464,445	$ 110,352,910	$ 111,183,988
Proportionate share of Net OPEB liability as a percentage of covered-employee payroll	113.84%	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 three years presented.

See accompanying independent auditors' report.

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, 2019

	Revenue fund	Construction fund	Total
Increases:			
Toll revenue	$ 1,380,750,754	$ -	$ 1,380,750,754
Toll evasion recovery	81,554,193	-	81,554,193
Concessions	1,717,551	-	1,717,551
Interest	38,455,694	1,377,981	39,833,675
Miscellaneous	7,146,226	-	7,146,226
Total increases	1,509,624,418	1,377,981	1,511,002,399
Decreases:			
Engineering and maintenance of roadway and structures	95,540,233	-	95,540,233
Services and toll collection	136,123,867	-	136,123,867
Traffic control, safety patrol, and radio communications	42,190,366	-	42,190,366
Procurement, IT, finance and administration	46,073,902	-	46,073,902
Insurance and employee benefits	30,278,247	-	30,278,247
Construction	941,563,702	-	941,563,702
Construction expense reimbursed by bond proceeds	(337,559,130)	337,559,130	-
Bond principal payments	118,780,000	-	118,780,000
Net funds applied to refunding	9,087,088		9,087,088
Bond Proceeds - Series 2019A, 2019B	(9,754,500)	(336,748,986)	(346,503,486)
Net funds applied to refunding	(3,106,469)	-	(3,106,469)
Build America bond subsidy	(13,554,800)	-	(13,554,800)
Bond interest and other financing costs	304,715,976	567,837	305,283,813
Total decreases	1,360,378,482	1,377,981	1,361,756,463
Change in fund balance	149,245,936	-	149,245,936
Fund balance, January 1	1,253,827,719	-	1,253,827,719
Fund balance, December 31	$ 1,403,073,655	$ -	$ 1,403,073,655

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, 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	78,403,524	-	78,403,524
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	1,663,221,779	107,175	1,663,328,954
Change in fund balance	(205,080,578)	(107,175)	(205,187,753)
Fund balance, January 1	1,458,908,297	107,175	1,459,015,472
Fund balance, December 31	$ 1,253,827,719	$ -	$ 1,253,827,719

See accompanying independent auditors' report.

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, 2019

	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	$ 1,380,750,754	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,380,750,754
Toll evasion recovery	81,554,193	-	-	-	-	-	-	81,554,193
Concessions	1,717,551	-	-	-	-	-	-	1,717,551
Interest	5,870,466	-	-	2,738,932	8,464,992	8,965,993	12,415,311	38,455,694
Miscellaneous	7,146,226	-	-	-	-	-	-	7,146,226
Intrafund transfers	(1,472,251,436)	348,984,792	-	402,429,651	-	420,000,000	300,836,993	-
Total increases	4,787,754	348,984,792	-	405,168,583	8,464,992	428,965,993	313,252,304	1,509,624,418
Decreases:								
Engineering and maintenance of roadway and structures	-	95,540,232	-	-	-	-	-	95,540,232
Services and toll collection	-	136,123,867	-	-	-	-	-	136,123,867
Traffic control, safety patrol, and radio communications	-	42,190,366	-	-	-	-	-	42,190,366
Procurement, IT, finance and administration	-	46,073,902	-	-	-	-	-	46,073,902
Insurance and employee benefits	-	30,278,247	-	-	-	-	-	30,278,247
Construction expenses	-	-	-	-	-	471,232,860	470,330,843	941,563,702
Construction expenses reimbursed by bond proceeds	-	-	-	-	-	(150,600,377)	(186,958,753)	(337,559,129)
Bond principal payments	-	-	-	118,780,000	-	-	-	118,780,000
Net Funds Applied to Refundings	-	-	-	8,313,062	774,026	-	-	9,087,088
Build America bond subsidy	-	-	-	(13,554,800)	-	-	-	(13,554,800)
Interest and other financing costs	-	-	-	304,509,079	206,897	-	-	304,715,976
Total decreases	-	350,206,614	-	418,047,342	980,922	320,632,483	283,372,090	1,373,239,451
Net increase (decrease)	4,787,754	(1,221,822)	-	(12,878,759)	7,484,070	108,333,510	29,880,214	136,384,967
Bond Proceeds - Series 2019A	-	-	-	-	9,754,500	-	-	9,754,500
Net Funds Applied to Refundings	-	-	-	3,106,469	-	-	-	3,106,469
Transfer of Excess Debt Reserve Funds	-	-	-	3,408,533	(3,408,533)	-	-	-
Fund balance, January 1	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
Fund balance, December 31	$ 15,202,257	$ 15,166,925	$ 27,400,000	$ 57,214,071	$ 404,002,348	$ 370,808,780	$ 513,279,274	$ 1,403,073,655

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.

(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.

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 2019.

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 - 2019

	Debt Service	Debt Reserve	Total
Bond interest expense	$ 302,015,505	$ -	$ 302,015,505
Other financing costs	2,493,574	206,897	2,700,471
	$ 304,509,079	$ 206,897	$ 304,715,976

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, 2019.
- 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, 2019, are $166.3 million in the Debt Service accounts, and $400.2 million in the Debt Reserve account.
- Insurance and Employee Benefits includes expense for retirement, workers' compensation, the employer portion of FICA, and medical insurance.

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APPENDIX B

CONSULTING ENGINEERS' REPORT

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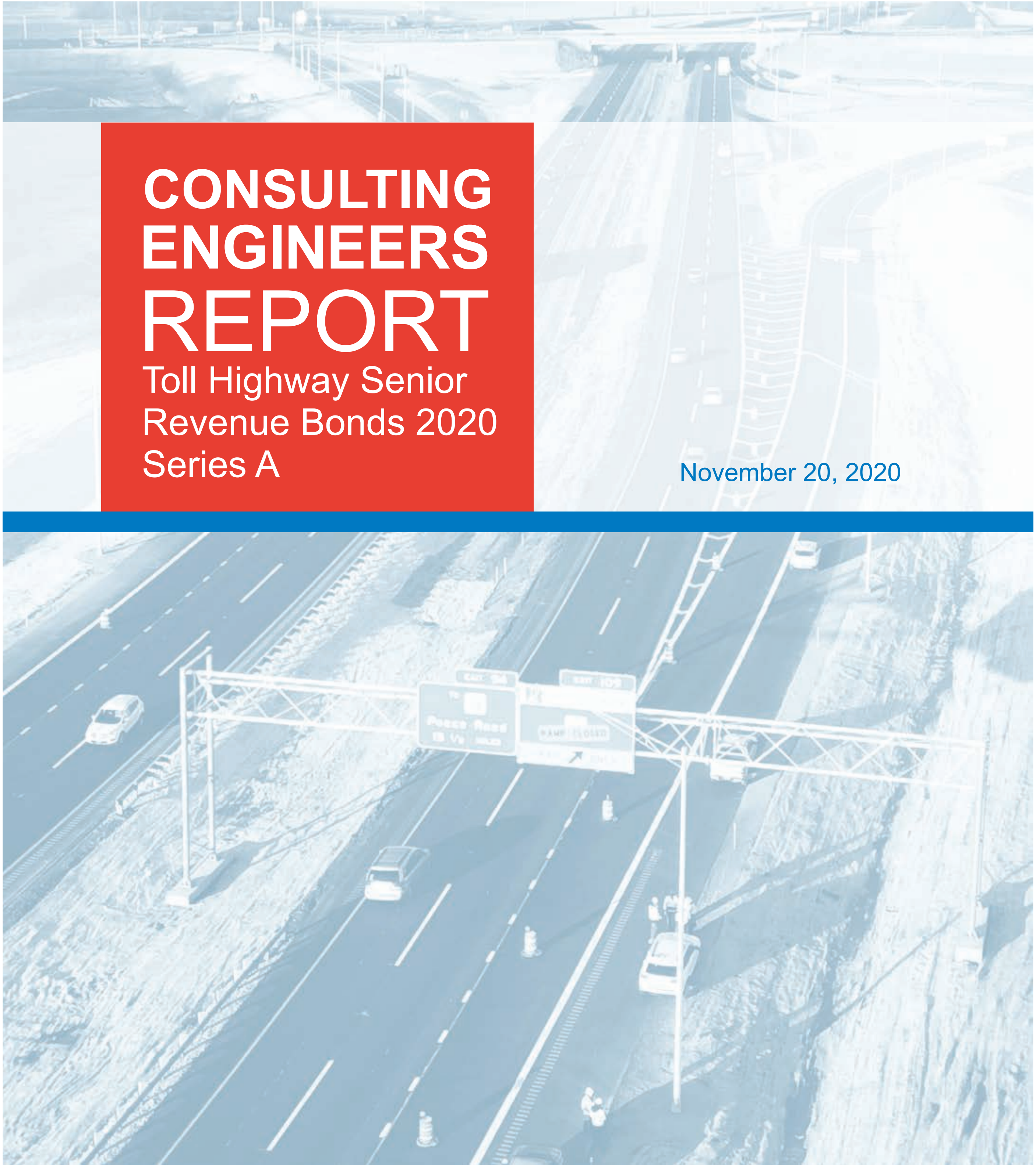

CONSULTING ENGINEERS REPORT

Toll Highway Senior Revenue Bonds 2020 Series A

November 20, 2020

Illinois Tollway

wsp

ILLINOIS TOLLWAY GEC

CONSULTING ENGINEERS REPORT [1]

List of Tables

[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.

1.2.3 Illinois Tollway and the COVID Pandemic

In response to the unprecedented pandemic emergency event, the Illinois Tollway acted quickly to ensure the safety of its staff and customers and to continue to deliver on its commitment to operate and maintain its facilities to the highest standards. Through deliberate and effective actions of its Leadership, the Illinois Tollway rapidly and successfully deployed an action plan to transition its office-based staff to a sustainable telework environment, and in coordination with state health and emergency management officials, instituted appropriate steps to protect its maintenance and operations staff who are essential to providing service to its customers. These actions, supported through the strong commitment of staff at all levels, ensures that the Illinois Tollway will continue maintain the highest levels of service during this global health situation and beyond.

The Illinois Tollway is positioned to continue to deliver projects for its capital program known as the Move Illinois Program, including major contracts related to the Central Tri-State (I-294) and Elgin O'Hare Western Access projects, along with renewal and replacement projects planned as part of its Systemwide Program.

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. Current projections are for the Program to be completed by 2027.

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 budget from $12.15 billion to $14.27 billion, which such cost is currently estimated at $14.107 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 while the Consulting Engineers have not independently verified the PMO's methods, the review conducted shows that the cost-tracking and estimating practices presently used by the PMO for *Move Illinois* appear to be 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 budget of the *Move Illinois* Program from $12.15 billion to $14.27 billion. The current cost estimate at completion is $14.107 billion.

Enhancements included in the new Central Tri-State scope are allowing 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 2019; and (ii) the PMO, for the years 2020 through 2027.

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	$941.6
2020	$1,094.4
2021	$1,534.1
2022	$1,209.4
2023	$1,017.1
2024	$943.7
2025	$759.7
2026	$527.5
2027	$691.9
Total	**$14,107.4**

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 period (2012 – June 2020), the totals are net of reimbursements received under various intergovernmental agreements totaling $147.6 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 2017-2024 for interchange and access improvements, of which agreements totaling $171.7 million have been received.
- Includes $67.4 million in potential budgetary reserve, a projected net surplus of bid savings, reduced management reserve against escalated costs.

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 budget is $14.255 billion. The difference between that total and the total shown in the table above is the $147.6 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): $1,477.0 million

The project cost is reduced from $1,479.0 in the December 2019 Consulting Engineers Report due to the contract closeout process. The project cost includes $8.0 million in 2027 for grading and drainage improvements.

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): $202.1 million

The project cost is reduced slightly from $202.2 million in the December 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 or schedule from the December 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 or schedule from the December 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

No adjustments in cost or schedule from the December 2019 Consulting Engineers Report.

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): $157.8 million

The estimated project cost was reduced slightly from $158.0 million in the December 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): $23.8 million

The estimated project cost was adjusted from $24.0 million in the December 2019 Consulting Engineers Report due to updated project cost estimates.

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: 2018-2027

Total Cost (Escalated, 4%): $3,553.7 million

The estimated project cost was adjusted from $3,639.7 million in the December 2019 Consulting Engineers Report due to revised timing of projects within the corridor.

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: 2018-2021

Total Cost (Escalated): $111.8 million

The estimated project cost was adjusted from $109.1 million in the December 2019 Consulting Engineers Report due to updated cost estimates and timing.

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: 2012-2027

Total Cost (Escalated, 4%): $293.2 million

The estimated project cost was adjusted from $272.4 million in the December 2019 Consulting Engineers Report due to the timing of bridge and ramp repairs and associated escalated costs.

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: 2017-2027

Total Cost (Escalated): $147.6 million

The estimated project cost was adjusted from $178.8 million in the December 2019 Consulting Engineers Report due to reduced parcel acquisition costs. Central Tri-State (CTS) truck parking has been moved to 2027.

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: 2017-2023

Total Cost (Escalated): $161.5 million

The estimated project cost was adjusted from $162.3 million in the December 2019 Consulting Engineers Report due to updated estimates for utility projects and fiber optic relocations.

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 or schedule from the December 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: 2018-2020

Total Cost (Escalated): $141.0 million

The estimated project cost was adjusted from $135.6 million in the December 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: 2018-2027

Total Cost (Escalated): $102.7 million

The estimated project cost was adjusted from $108.4 million in the December 2019 Consulting Engineers Report due to updated cost estimates.

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: 2019-2026

Total Cost (Escalated): $0.5 million

No adjustments in cost but a revised schedule from December 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: 2018-2023

Total Cost (Escalated): $1.3 million

No adjustments in cost but a revised schedule from December 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: 2018-2020

Total Cost (Escalated): $62.2 million

The estimated project cost was updated from $60.5 million in the December 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: 2019-2022

Total Cost (Escalated): $29.5 million

The estimated project cost was adjusted from $30.6 million in the December 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: 2018-2020

Total Cost (Escalated): $167.9 million

The estimated project cost was adjusted from $169.1 million in the December 2019 Consulting Engineers Report due to updated contract projections.

2.4.4 Aurora Toll Plaza (61) 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, 2020-2022

Total Cost (Escalated): $52.6 million

The estimated project cost was adjusted from $48.6 million in the December 2019 Consulting Engineers Report due to updated contract projections. The project cost includes $7.0 million in 2027 for roadside improvements.

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 2021-2022, 2024, 2026-2027

Total Cost (Escalated): $52.8 million

The estimated project cost was adjusted from $50.6 million in the December 2019 Consulting Engineers Report due to updated timing of projects and associated cost estimates.

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: 2016-2023

Total Cost (Escalated): $0.4 million

No adjustments in cost or schedule from the December 2019 Consulting Engineers Report.

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: 2018-2021

Total Cost (Escalated): $0.6 million

No adjustments in cost and a schedule adjustment from December 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, 2020
- **Total Cost (Escalated):** $ 115.1 million (Illinois Tollway Commitment)
- No material adjustments in cost or schedule from the December 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:** 2019-2024
- **Total Cost (Escalated, 4% APR):** $194.9 million (Illinois Tollway Commitment)
- The estimated project cost was adjusted from $201.4 million in the December 2019 Consulting Engineers Report due to updated project estimates. Schedule adjusted.

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, 2020 and 2022-2023

Total Cost (Escalated): $12.0 million

No adjustments in cost and a schedule adjustment from the December 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 2022-2026

Total Cost (Escalated): $3.3 million

No adjustments in cost and a schedule adjustment from December 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: $947.0 million

Overall segment cost reduced from prior $953.0 million shown in the December 2019 Consulting Engineers Report due to ongoing budget reconciliations for project closeouts and applied CMAQ funding for the I-290 Flyover. Physical construction of this segment was completed as noted above.

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): $1,416.0 million

Cost adjustment from the previous amount of $1,412 million shown in the December 2019 Consulting Engineers Report aligns with ROW settlements and the latest construction schedule and cost estimate updates. The construction period remains unchanged for this report.

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): $903.0 million

Cost adjusted from the previous estimate of $901 million shown in the December 2019 Consulting Engineers Report, aligns with ROW settlements, construction schedule and cost estimate updates. The construction schedule remains unchanged for this report.

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 or schedule from the December 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: 2013-2027

Total Cost (Escalated): $401.9 million

The estimated project cost was adjusted from $370.0 million in the December 2019 Consulting Engineers Report due to updated timing and contract projections. Several facilities were moved to the latter years of the program such as the Central Warehouse construction, the M-2 (Hillside) Truck Wash, M-3 (Park Ridge), M-5 (Schaumburg), M-12 (Dixon) Annex A and M-14 (Downers Grove).

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: 2012-2027

Total Cost (Escalated): $689.9 million

The estimated project cost was adjusted from 682.0 million in the December 2019 Consulting Engineers Report due to updated contract projections.

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 or schedule from the December 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 or schedule from the December 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): $895.0 million

The estimated project cost was adjusted from $895.8 million in the December 2019 Consulting Engineers Report due to updated contract projections.

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: 2012-2022, 2027

Total Cost (Escalated): $130.8 million (Illinois Tollway Commitment)

The estimated project cost was adjusted from $125.8 million in the December 2019 Consulting Engineers Report due to updated project timing and contract projections. The Lee Street Eastbound Exit Ramp was moved to 2027.

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 or schedule from December 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

No adjustments in cost or schedule from the December 2019 Consulting Engineers Report.

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, 2020, 2022-2026

Total Cost (Escalated): $9.7 million

No adjustments in cost and a schedule adjustment from the December 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: 2018-2021

Total Cost (Escalated): $36.0 million

No adjustments in cost and a schedule adjustment from the December 2019 Consulting Engineers Report.

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, deployment of roadway CCTV cameras for monitoring traffic, Microwave Vehicle Detection System (MVDS), deployment of Digital Messaging Signs (DMS) and 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 Congestion Relief Program (CRP) to rebuild and widen major segments of the Illinois Tollway system, implement open road tolling and add a 12-mile extension to I-355 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 systems 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
- Vehicle Detection Systems (VDS) – both microwave, Bluetooth 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. Bluetooth solar powered detection devices allow for ease of traffic monitoring, particularly for temporary use in construction zones.
- 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
- Weigh-in-Motion (WIM) – to assist overweight vehicle enforcement measuring the weight of vehicles moving at highway speeds, equipped with a tire anomaly classification system detecting flat tires or missing tires and equipped with an over-height vehicle detection system (virtual gantry) that monitors over height vehicles.
- Road Weather Information Systems (RWIS) – to assist roadway operations to prepare and respond to snow and ice events by measuring atmospheric and pavement conditions, they are located at major bridge and overpass
- Wireless Queue/Count Stations – for automatic queue detection, wrong way driver detection and traffic counting
- Portable Changeable Message Signs (PCMS) – for providing traveler information to motorists on a short-term basis or within 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. 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, temporary solar-powered / wireless units were installed to maintain Jane Addams Memorial Tollway (I-90) corridor ITS operations. These units were replaced with permanent devices during the Jane Addams Memorial Tollway (I-90) corridor reconstruction/widening. Intermediate Power Distribution & Communication (IPDC) facilities were also installed along the I-90 corridor.

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 vibration during windy conditions, allowing for better camera video quality of the roadway at the TOC. First issue of the ITS guide drawings, special provisions and ITS Deployment Guide were developed in 2015 and have been revised yearly based on construction lessons learned and product improvements. The ITS base drawings, guides and special provisions are used by the designers for every ITS construction contract at the Tollway.

In 2017, the Illinois Tollway opened the first "smart corridor" in the system. The Jane Addams Memorial Tollway (I-90) was funded under the current Program. This corridor included a combination of traditional Illinois Tollway ITS devices, including CCTV, MVDS, RWIS at the Fox River Bridge. A virtual weigh-in-motion system was also installed at Beverly Road. The corridor also provided enhanced full color/full matrix DMS capable of illustrating color and graphic messages. Also included were IPDC's and 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 2019 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
- Development of the 5 year ITS Strategic Plan
- 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, three ITS standalone contracts were designed and bid for construction. Under the ITS Refurbishment and Replacement program, more than 250 ITS devices have been replaced due to parts that reached end of their service life. Priorities are given to ITS components that have exceed their service life and become too costly to maintain and repair.

Major initiatives planned for 2020 include the following:

- Continued design activities for CCTV gap analysis, ramp queue detection, communication upgrade, replacement of out of service weigh-in-motion (WIM) so they can be used by the Illinois State Police for weight enforcement thus reducing the flow of overweight vehicles on Tollway roads and also 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 and expanded deployment. Additional signage, flashing beacons and detections systems are being evaluated for deployment to reduce the number of wrong way driving incidents.
- Ramp queue detection – The current microwave detection does not provide sufficient level of accuracy required for certain specific new functions. As example, for ramp

vehicle detection a MVDS will fail giving accurate date for traffic speed less than 20 MPH. To address this, more robust and accurate lane-by-lane detection is required in selected locations. New deployment of in-pavement sensors will be used for ramp queue detection.

- ITS device modernization planning and ITS inventory management system – Development of guidelines and reasons to modernize ITS devices beyond just age. Utilizing asset management software to document ITS device life cycle from concept to end of life.
- ITS test lab and site – Install ITS test lab at M-14 and three poles to test and validate ITS products prior to specification and widespread deployment. This will ensure products are compatible with the Tollway ITS system and verify desired performance.
- Implement Time-of-Day Shoulder Running
- Connected and Automated Vehicle research and development of strategic plan.
- 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. Environmental initiatives throughout the Illinois Tollway include both the continuation of previous commitments along with innovative programs. The following is a summary.

3.4.1 Expanded Use of Brine for Roadway De-icing

The Tollway continues to make firm investments into expanding its use of brine across its system. Salt brine is produced by dissolving dry salt into a solution which can then be directly sprayed on the pavement or used to 'wet' dry salt before it is applied, depending on the conditions.

Use of brine has benefits for the Tollway, Tollway customers and the environment. Traditionally, dry salt crystals have been used primarily to de-ice roadway pavement. When dry salt is released from plow truck spreaders, it tends to bounce and scatter, with a substantial amount of salt, approximately 30%, being lost on the shoulders, in the median or beyond, where it is not effective. Thus, salt spread rates need to be set high enough to ensure an adequate amount salt remains on the pavement for safe roadway operations.

When dry salt is pre-wetted with brine before it is applied to the pavement, it reduces the tendency for salt to bounce and scatter and enhances its ability remain on the pavement; when pre-wetted, only 4% of salt is lost beyond the road surface. The implications are that pre-wetting the salt can allow application rates to be reduced up to approximately 25% and achieve the desired deicing effect.

From a safety and operations perspective, Pre-wetting immediately activates the salt, jump starting the deicing process, resulting in more rapid improvement of roadway driving conditions during icing events.

From an environmental perspective, reducing the amount of salt applied to the system subsequently results in less salt (chlorides) entering and affecting our rivers, streams and lakes.

Increased use of brine will decrease the Tollway's dependency on salt, which can save costs, particularly during winter seasons when salt supplies are low and demand is high.

The Tollway has been testing brine for several years, having procured two mobile brine makers, with limited production capacity and outfitting its fleet for increased brine applications.

In 2020, the Tollway will have substantially completed construction of its first permanent, high production brine maker on its system which will be installed at the new M-8 maintenance yard that began construction in early 2020. This pilot program will inform installations of future permanent brine makers across the system in its effort to reduce its impact on the environment while maintain the high level of safety that its customers enjoy.

3.4.2 Enhanced Environmental Inspections

In 2019, the Illinois Tollway enhanced its physical inspection program of detention basins, bioswales, and storm water outfalls. Ensuring that these assets are operating as intended is imperative to protecting surface water resources which are conveyed through and received by the Illinois Tollway's drainage system.

The enhanced inspection program incorporates additional assessment criteria as part of an improved asset management rating system that better addresses individual components and conditions that may have changed since the initial construction or since the previous inspection. The assessment criteria for storm water outfalls now includes nine physical and sensory indicators of illicit discharges as defined per U.S. Environmental Protection Agency guidance. Furthermore, assessment of basin inlet and outlet structures has been expanded to include criteria that more specifically evaluate the function and safety of the basins including nuisance issues (e.g. animal dens and burrows), vegetation components (e.g. invasive, woody, inhibited or dead), cleanliness (e.g. litter and debris accumulations), and erosion (e.g. unstable or eroding banks, damaged erosion controls). In addition to assessment of physical conditions, criteria related to bioswale function and vegetation have been incorporated to enhance the assessment of effectiveness and overall health.

This enhanced inspection program and rating system was implemented to improve tracking and identification of maintenance issues, aid in planning preventative maintenance to avoid costlier drainage repairs, and more effectively identify and eliminate potential illicit storm water discharges to maintain compliance with Illinois EPA permit requirements.

3.4.3 Invasives to Energy Research Program

In 2019, the Illinois Tollway began working with University of Connecticut to evaluate the water quality benefits of, and energy production potential from invasive vegetation, such as cattails harvested from Tollway drainage ditches and ponds. In particular, the Illinois Tollway is looking to cattail harvesting as a way of removing environmentally detrimental chlorides (salt from winter de-icing activities) from the environment while also improving the function of the drainage system.

Cattails, among some other common reeds, are considered invasive plants and are adapted to thrive in environmentally degraded habitats that frequently occur along highway drainage systems. Cattails are generally considered to be a nuisance as they quickly overtake drainage features and over time cause reduced storm water storage capacity, reduced water flow, excess nutrients after decay and can clog drainage appurtenances. These large plants are difficult to manage due to fast growth and rapid reproduction that results in the crowding out of deep-rooted native species resulting in the degradation of aquatic ecosystems and reduced biodiversity.

However, these plants are effective in taking up and storing water pollutants such as chlorides and excess nutrients within their stalks. Cutting them at the right time can remove these pollutants from the environment. Typically, cattails have been managed by clear cutting and leaving the cut stalks in place and as the cattails decompose, any captured pollutants move back into the soil and are then released back into the environment.

This three-year research program will evaluate the costs and benefits of harvesting and removing cattail biomass annually (along with the chlorides it has accumulated) and identifying ways to utilize the harvested material for other useful purposes. Potential benefits include:

- Removal of chlorides and other pollutants from the system,
- Water quality improvement within the Illinois Tollway's drainage system as well as downstream,
- Reduce drainage system waste and creation of a sustainable maintenance program
- Determination of whether this harvested material can be used as an energy source in wastewater treatment processes or as compost.

3.4.4 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 61% of this goal has been achieved with the planting of more than 35,300 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.

3.4.5 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.

3.4.6 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 2019, the INVEST team assessed the Illinois Tollway's system using the INVEST System Planning and Operations and Maintenance modules to determine system scores. The 2019 System Planning and Operations and Maintenance scores continue to reflect the highest level of achievement, platinum.

In 2019, the Illinois Tollway also used the INVEST Project Development module to evaluate in-progress design and construction contracts with an estimated construction cost exceeding $10 million. Projects that reached construction substantial completion in 2013 and 2014 averaged a silver rating, while projects in 2015, 2016, 2017 and 2018 averaged a gold rating. In 2019, Illinois Tollway projects earned regional employment points for the first time due to the ConstructionWorks program.

Innovations implemented in 2019 also included use of precast panels and rapid setting concrete on a bridge pavement rehabilitation contract, and the use of LIDAR to analyze the existing pavement surface.

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, but 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 projects they are involved with throughout the region and country.

3.4.7 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. In 2019, no new flooding issues were identified, four issues were corrected as part of capital improvements and five remaining issues, all located along the Central Tri-State (I-294) corridor, will be remediated as part of future reconstruction.

Table 2: Flooding Locations and Mitigation

Location	Mitigation Status
I-94 near Lake Forest Oasis	Monitor and planned for future construction
I-294 & Cermak Ave	In design (RR-16-4265)
I-294 & Archer Ave	In construction (I-20-4518)
I-294 & St. Charles	In construction (I-20-4533)
I-294 & 95th Street	In construction (I-20-4517)
NB I-294 to Hinsdale Oasis	In design (I-17-4298)

3.5 System Growth

The following table depicts how the Illinois Tollway system has grown and 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 on 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 2020 to 2027 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 18.3% from 2012 through 2027.

Table 3: Growth of the Illinois Tollway System per Corridor (By Lane Miles)

Tollway	2012	2013	2014	2015	2016	2017	2018	2019
Tri-State (I-294 & I-94)	781.0	781.0	793.1	795.7	794.9	794.9	794.9	799.7
Jane Addams (I-90)	473.2	476.9	543.8	545.4	615.6	615.6	616.1	619.2
Ronald Reagan (I-88)	527.7	527.7	528.5	530.1	530.1	530.1	530.1	534.0
Veterans (I-355)	262.3	262.3	262.3	262.3	263.1	263.1	263.1	264.5
EOWA (IL 390 and I-490)	0.0	0.0	0.0	0.0	51.4	73.3	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	2,290.7
% Increase - Annual		0.18%	3.90%	0.27%	5.70%	0.97%	0.02%	0.37%
% Increase - Aggregate		0.2%	4.1%	4.4%	10.3%	11.4%	11.4%	11.8%

Tollway	2020	2021	2022	2023	2024	2025	2026	2027
Tri-State (I-294 & I-94)	800.2	802.5	802.5	809.9	827.8	827.8	838.1	847.1
Jane Addams (I-90)	619.2	619.2	619.2	619.2	619.2	619.2	619.2	619.2
Ronald Reagan (I-88)	534.0	534.0	534.0	534.0	534.0	534.0	534.0	534.0
Veterans (I-355)	264.5	264.5	264.5	264.5	264.5	264.5	264.5	264.5
EOWA (IL 390 and I-490)	78.0	111.4	117.6	142.3	142.3	153.1	153.1	153.1
Total Lane Miles	2,295.9	2,331.6	2337.8	2,369.9	2,387.8	2,398.6	2,408.9	2,417.9
% Increase - Annual	0.23%	1.55%	0.27%	1.37%	0.76%	0.45%	0.43%	0.37%
% Increase - Aggregate	12.3%	14.1%	14.4%	15.9%	16.8%	17.3%	17.8%	18.3%

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 throughout the system.
- Construction of the Veterans Memorial Tollway (I-355) South Extension to I-80 was completed

The current capital program is 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 2027. 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 2027.

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 system-wide 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
>7.5	Excellent
6.5 to 7.4	Good
6.0 – 6.4	Transitional
4.5 – 5.9	Fair
< 4.4	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. Structural evaluations as described above, projected traffic loading and analysis of the pavement’s history can also factor into the pavement’s overall condition rating and Remaining Service Life (RSL), as described below.

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 system-wide CRS ratings is included in the following table:

Table 5: Summary of Mainline Pavement CRS Ratings from the 2019 Evaluation (Lane Miles)

Tollway	Excellent >7.5	Good 6.5-7.4	Transi-tional 6.0-6.4	Fair 4.5-5.9	Poor 0-4.4	**Not Rated
Tri-State (I-294)	177.4	105.6	100.2	26.4	0.0	12.8
Tri-State (I-94)	82.1	85.0	0.0	1.6	0.0	37.7
Edens Spur (I-94)	0.0	0.0	0.0	0.0	0.0	5.1
Jane Addams (I-90)	476.0	24.5	0.0	0.0	0.0	0.0
Reagan (I-88)	367.2	68.8	11.9	0.6	0.0	16.7
Veterans (I-355)	159.7	16.5	3.5	0.0	0.0	7.7
EOWA (IL 390)	42.5	1.7	2.6	2.0	0.0	6.0
Total*	**1305.0**	**302.1**	**118.2**	**30.6**	**0.0**	**85.9**
% of Total	**70.9%**	**16.4%**	**6.4%**	**1.7%**	**0.0%**	**4.7%**

** 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+ 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 system-wide, 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 2027. Additionally, sections of pavement constructed, reconstructed, reconstructed and widened, or rehabilitated as part of the CRP are programmed for rehabilitation through 2027 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 2027. 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 11.4% of system-wide pavement surveyed in 2019 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 system-wide that was within these categories in 2004 before the CRP began. Additionally, 39.9% of pavement surveyed in 2019 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 2019 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)	131.2	109.8	11.5	45.6	40.0	40.6	31.0	12.8
Tri-State (I-94)	76.7	79.5	10.9	0.0	0.0	0.0	1.6	37.7
Edens Spur (I-94)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.1
Jane Addams (I-90)	403.2	5.3	84.0	8.1	0.0	0.0	0.0	0.0
Reagan (I-88)	105.5	129.5	179.9	25.2	7.8	0.0	0.6	16.7
Veterans (I-355)	0.8	173.3	2.1	3.5	0.0	0.0	0.0	16.7
EOWA (IL 390)	23.3	0.0	19.3	0.6	3.6	0.0	2.0	6.0
Total**	**740.7**	**497.4**	**307.7**	**83.0**	**51.4**	**40.6**	**35.2**	**85.9**
% of Total	**40.2%**	**27.0%**	**16.7%**	**4.5%**	**2.8%**	**2.2%**	**1.9%**	**4.7%**

* *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 2020 to 2027 and the Edens Spur (I-94) – programmed for reconstruction in 2018 to 2021.*

** *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 2020 to 2027, 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 2019, 69% of this corridor, including the Edens Spur, was rated in “excellent” to “good” condition. However, 28% 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 2019, 73% of this section was rated in “excellent” condition with an average RSL rating of 19.9 years.

Central Tri-State Tollway (95th Street to Balmoral Avenue)

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 2019, only approximately 0.5% of the section was rated in “excellent” condition with an average RSL estimated as 5.2 years. Approximately 23% of the section has an RSL of greater than 6 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 2019, 55% of this section was rated in “excellent” condition with an average RSL estimated at 19.6 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 2019, 95% of this corridor was rated in “excellent” condition with an average RSL along the corridor of 23.7 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 89% 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 2019, an average RSL value of 10.9 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 96% is rated in “excellent” condition (CRS) with an average estimated RSL rating of 24.0 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. In 2019, 96% was rated in “excellent” condition with an average RSL rating of 26.7 years.

4.2.4.3 Reagan Memorial Tollway (I-88)

The Reagan Tollway is in excellent condition with over 75% of the pavement having a CRS greater than 7.5. During the 2019 survey period, about 95% of the I-88 corridor was rated in "excellent" and "good" condition. The average RSL for the corridor is estimated as 14.0 years with 29% 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 2019, about 55% of this section was in "excellent" condition with approximately 5.1 miles along the section scheduled for surface overlay in 2021.

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 2019 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 2019, 98% of the pavement west of Illinois Route 251 was rated in “excellent” condition.

4.2.4.4 **Veterans Memorial Tollway (I-355)**

The original 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 with work extending through 2020. In 2019 85% of the I-355 corridor was rated in “excellent” condition. Sections, north of I-55, rated in 2019, indicated an average RSL along the corridor of 15.9 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 a 2019 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 2019, 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

Generally, visual inspection of the Illinois Tollway roadway drainage systems is performed annually, however some drainage assets are inspected on a four-year cycle. This inspection consists of visibly identifying any required repair activities of drainage structures, crossing culverts, slopes, ditches, detention basins, bioswales, and storm water outfalls.

The drainage systems throughout the Illinois Tollway are generally in good condition, and most of the embankment slopes are stable. Typical repair activities noted during the inspections included concrete headwall repair activities, 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 where curb and gutter is used along the roadway to control pavement drainage. These systems typically consist of storm sewers installed under the roadway pavement and shoulders that receive rainfall runoff via storm sewer catch basins. Only limited inspections can be performed on closed drainage systems due to access constraints; therefore, it is recommended that these systems be cleaned and televised to better determine their condition. Televising of closed drainage systems to identify areas of concern is programmed to occur prior to the development of designs for programmed roadway rehabilitation so that issues are addressed as part of the programmed roadway construction. As of 2019, there are 24,413 existing storm sewers, system-wide.

Crossing culverts are pipes that generally cross perpendicularly under the roadway to allow water to continue to flow from one side of the roadway to the other. Culverts are inspected for functionality, physical damage, 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. Crossing culverts not replaced during recent reconstruction or rehabilitation projects may in some cases be over 50 years old.

Deterioration of older Corrugated Metal Pipes (CMP) that were installed as part of the original construction of the Illinois Tollway continues to be a concern in those roadway sections not recently reconstructed. CMP deterioration typically occurs along the flow line or at the joints of the pipe. This deterioration may lead to perforation of the pipe that results in the erosion of the supporting soil and backfill material during rain events creating voids beneath the roadway.

As the volume of the voids increase, the probability of roadway pavement slab settlement or failure 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 may reveal deterioration of the original pipe and separation at the joints where the original pipe joins the new.

Due to the collapse of several CMPs, in 2007, the Illinois Tollway completed a detailed system-wide inspection of CMPs with a diameter of three feet or greater. 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.

Over time, most of the older CMPs have been replaced with reinforced concrete pipe as part of reconstruction or rehabilitation contracts. Currently, there are 569 CMP storm sewers and seven CMP culverts known to exist system-wide. Two maintenance contracts completed in 2010 repaired and/or lined existing CMPs with a diameter of three feet or greater that cross beneath the pavement. Although these contracts addressed many concerns with CMPs, smaller diameter and some non-mainline-crossing CMPs 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

Roadway safety appurtenance inspections are performed annually, or on an annual rotation cycle as appropriate. Safety appurtenances include positive protection devices (such as concrete barriers, guardrail, impact attenuators, and cable median barrier systems), as well as pavement markings, delineators, lighting, right-of-way fencing, and ground mounted signs. Evaluations include a passive visual inspection of the Illinois Tollway roadway safety appurtenances along with logging of visible deficiencies in the concrete barriers, guardrails/terminals, cable median barriers and impact attenuators.

Concrete barriers, guardrails, cable median barrier systems and impact attenuators throughout the system are generally in good to excellent condition. Any repair activities are promptly transmitted to the Division of Maintenance and Traffic for repair. 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 prohibits achieving this policy in some cases.

The guardrail, terminals, and impact attenuators included in projects as part of the *Move Illinois* and recently completed *Congestion Relief* capital programs have been upgraded to meet Illinois Tollway standards in place at that time in adherence with the National Cooperative Highway Research Program (NCHRP) *Report 350* or *Manual for Assessing Safety Hardware* (MASH), as appropriate. Guardrail standards used by the Illinois Tollway are regularly updated to reflect current crash test data and new technologies, in conformance with the requirements of NCHRP *Report 350* and *MASH*.

The *Manual for Assessing Safety Hardware* (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 NCHRP *Report 350* criteria. 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 construction sunset dates for NCHRP Report 350 devices, whereas new roadway safety products must comply with the new MASH requirements.

The Illinois Tollway has directed that all existing guardrail installations which have not been successfully tested under NCHRP *Report 350* requirements, be programmed to be upgraded to MASH-tested devices over the next several years. As such, the Illinois Tollway is scheduled to meet or exceed the dates outlined by AASHTO for the installation of safety appurtenances.

The current capital programs include funds for drainage and safety improvements system-wide 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.

In 2019, a detailed audit and inspection of existing guardrail, cable median barrier and impact attenuator installations was performed to provide a more comprehensive condition assessment of this infrastructure. The audit and inspections were performed in the office by reviewing high definition geo-located 360-degree video footage of the system. This method allows for a thorough and safe inspection of each asset. Per this audit there are 2,627 of these assets system-wide, with 78 required repairs addressed in 2019. Any repair activities deemed as beyond the capability of Tollway Maintenance have been recommended for repair or replacement in future contracts.

4.3.2.1 Guardrail

AASHTO's Strategic Highway Safety Plan lists objectives and strategies for keeping vehicles on the roadway and for minimizing the consequences when a vehicle does encroach on the roadside. Additionally, the National Cooperative Highway Research Program (NCHRP) also has published a series of guides to assist state and local agencies in their efforts to reduce injuries and fatalities along the nation's roadways. The current Manual for Assessing Safety Hardware (MASH) contains the current recommendations for testing and evaluating the safety performance of highway features and hardware, including longitudinal barriers, terminals, crash cushions, work zone elements, and breakaway structures.

The Midwest Guardrail System (MGS), is a non-proprietary steel post, W-beam guardrail system that has been successfully crash tested per MASH TL-3 criteria and is the current guardrail installed on the Illinois Tollway system. Guardrail and terminals along the Illinois Tollway system are considered to be in generally Excellent condition.

4.3.2.2 Impact Attenuator

Impact attenuators are protective systems that prevent vehicles from impacting rigid obstacles by a controlled deceleration. Impact attenuators are adaptable to many roadside locations where guardrail cannot practically be used. Impact attenuators along the Illinois Tollway system are currently rated in Excellent to Good condition.

4.3.2.3 Cable Median Barrier

Cable median 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 cable median barrier systems; however, all installations are inspected to confirm that they meet the current industry practices. Cable median barrier systems are in excellent condition due most these assets being replaced or newly installed as of 2016. Currently they are installed:

- West of Deerpath Road on the Reagan Memorial Tollway (I-88)
- At the southern terminus of the Veterans Memorial Tollway (I-355)
- Along the Elgin O'Hare Western Access (IL 390)

4.3.2.4 Delineators and Reflectors

Delineators and reflectors are installed throughout the Illinois Tollway system, typically affixed to guardrail or on sticks mounted in the ground. In general, these assets were found to be in fair condition. Inspections of these devices are performed by close review of high definition 360-degree camera footage typically captured at the end of each winter season. The Illinois Tollway performs regularly scheduled maintenance on these items system-wide at least twice per year.

4.3.3 Pavement Markings and Raised Pavement Markers

Pavement markings generally refer to lane striping and other demarcations designed to be in place under active traffic conditions. These pavement markings consist of durable thermoplastic material that is affixed directly to the pavement and is utilized throughout the Illinois Tollway system.

The Illinois Tollway maintains a Pavement Marking Database which contains historical installation data and retroreflectivity values. These values are updated as new information becomes available, typically through field measurement of reflectivity by the Pavement Management Consultant. The retroreflectivity values, in conjunction with visual inspections and historical records indicating the age of the markings, is utilized to determine locations for inclusion in the annual system-wide pavement marking contract and the scheduling of future contracts.

In 2019, 1,227.5-line miles of pavement marking were field inspected, and any repair activities communicated to the Illinois Tollway. Overall, lane markings varied from fair to excellent condition. Typical defects noted were missing or damaged sections of pavement markings.

The ongoing annual system-wide pavement marking renewal program provides upgrades to pavement marking visibility throughout the system. As part of this annual program, pavement markings are maintained and upgraded as indicated by age or the observation of defects. Pavement marking replacement is typically beyond the capabilities of Tollway Maintenance. It is most often recommended that areas exhibiting observed deficiencies as identified in the visual inspection and areas which exhibit low retro reflectivity be included for improvement in the annual system-wide pavement marking contract.

Raised pavement markers (RPMs) are low-profile reflectors affixed to the pavement that are typically used in conjunction with pavement markings to help delineate lanes at night or in other reduced visibility conditions. Areas of missing reflectors typically are noted at the end of the winter season due to winter plowing. The Illinois Tollway performs regularly scheduled maintenance on these items system-wide on a three-year cycle within each individual Maintenance division. During regularly scheduled work, damaged or missing reflectors and castings are removed and replaced. RPMs throughout the Illinois Tollway system vary in condition from excellent to fair depending on when areas have been inspected and most recently repaired.

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 system-wide. In 2014, the contract work commenced for the installation of RPMs in sections of pavement in which they were not originally included. However as of 2019, the Illinois Tollway halted the installation of RPMs as part of any construction contracts pending the conclusion of further study, initiated in 2019, regarding their safety and effectiveness.

4.3.4 Roadway Lighting System

As of 2019 there were 12,945 light poles system-wide. 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 2019, LED lighting technology has been implemented along the following Tollway sections:

- Reagan Memorial (I-88)
- Tri-State (I-94) from northern terminus to Duffy Lane
- Jane Addams Memorial (I-90) from east of Mill Road to the eastern terminus
- Tri-State (I-294) from Balmoral Avenue to Lake-Cook Road
- Tri-State (I-294) Bensenville Bridge
- Tri-State (I-294) from southern terminus to 95th Street
- Veterans Memorial (I-355) from southern terminus to Butterfield Rd
- IL 390 Elgin-O'Hare Expressway

It is anticipated that LED lighting will be implemented along the following sections by the end of 2020:

- Jane Addams Memorial (I-90) from western terminus to I-39
- Edens Spur (I-94) from eastern terminus Duffy Lane
- Tri-State (I-294) from Bensenville Bridge to Balmoral Ave

- Veterans Memorial (I-355) from I-55 to Army Trail Road

4.3.5 Right-of-Way Fence

Right-of-Way fence inspections are conducted in the office by reviewing high definition, 360-degree drone video footage. The right-of-way fence throughout the Illinois Tollway system is generally in excellent to good condition. Deficiencies or required repairs identified during inspections are referred to the Illinois Tollway Maintenance Division or recommended for inclusion in future contracts.

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. Most right-of-way fence along the Tri-State Tollway (I-94/I-294/I-80) and the Reagan Memorial Tollway (I-88), all the Veterans Memorial Tollway (I-355) and over half of the Jane Addams Memorial Tollway (I-90) have been upgraded to the current Illinois Tollway standard chain-link fence.

4.3.6 Ground-Mounted Traffic Signs

Ground-mounted traffic signs are rated based upon visual inspection of their physical condition. Retroreflectivity measurements are not taken as part of these inspections. In 2019 there were 38,774 ground-mounted traffic signs throughout the Illinois Tollway system. The ground mounted signs are generally in fair to good condition. Damage to these signs is typically caused by traffic accidents or snowplows. The Illinois Tollway Sign Shop repairs or replaces these signs when damage is reported.

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 610 vehicular bridges, six railroad bridges, 61 culvert bridges, one land bridge, two pedestrian bridges and four 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 2019, the Tollway performed a total of 771 bridge inspections, including 353 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 2018 and 2019.

Table 8: Bridge Inspection Summary

Condition Index	2018	2019	Total
≥90	282	304	586 (85.8%)
80-89	36	23	59 (8.6%)
70-79	21	12	33 (4.8%)
60-69	4	1	5 (0.8%)
<60	0	0	0 (0.00%)
Total	343	340	683*

*Does not include the land bridge because an OCI rating is not assigned for this structure.

Five of the bridges inspected during the current two-year cycle had an OCI rating of Poor; however, one of these bridges has been replaced as noted:

Bridge 125: 159th Street (US 6) over I-294/I-80 MP 6.36

This bridge was replaced in 2019 under Contract RR-17-4349. The OCI Rating is now Excellent (100).

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 were completed in 2019 under Contract RR-18-4439. The next scheduled inspection is in 2020.

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 in progress 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 in 2021 under Design Contract I-18-4352 in coordination with the Village of Oak Brook.

Bridge 341: I-294 / I-94 over Lake-Cook Road, I-94 Milepost 25.28:

The bridge deck has a NBIS Rating of Satisfactory, the superstructure has a rating of Poor and the Substructure has a rating of Fair. The bridge deck is under the jurisdiction of Cook County. The remainder of the structure is under the Illinois Tollway's jurisdiction. Bridge repairs are currently ongoing under Contract RR-16-4277R.

Of the 33 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 2026. 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 2018 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 2019, Supplemental Inspections were performed on 72 bridges throughout the Tollway system. Of these 72 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 19 bridges to eliminate those conditions. Supplemental Inspections performed in 2019 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 943 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 (78.1%) of the structural walls inspected in the time period 2016-2019, were rated in excellent to good condition.

Table 10: Structural Wall Inspection Summary

Inspection Year	2016	2017	2018	2019
Total Walls Inspected	134	193	285	236
Excellent	27	48	96	79
Good	51	102	119	108
Fair	34	33	44	27
Poor	19	9	24	19
Critical	3	1	2	3

As part of the current capital programs, there are a number of projects ongoing or recently completed throughout the system 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 sign 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 2016 to 2019. In addition, the table accounts for special inspections conducted in interim years to confirm that the severity of noted defects has not increased. Based on the 2016-2019 inspection cycle, 84% of the 900 Illinois Tollway overhead sign structures rate in excellent to good condition.

Table 12: Overhead Sign Structure Inspection Summary

Inspection Year	2016	2017	2018	2019
Total Sign Structures Inspected	188	188	226	225
Excellent	28	96	29	80
Good	139	82	159	115
Fair	18	7	30	21
Poor	3	3	8	9
Critical	0	0	0	0

As part of the current capital programs, there are a number of projects ongoing or recently completed throughout the system 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 185 facilities. Through 2019, 71.7% of the facilities inspected over the most recent inspection cycle rated a condition of excellent to good, 38 facilities were assigned a condition of fair and 11 facilities were rated poor. No facility was given a rating of critical. 12 facilities were new and not included in most recent inspection cycle. These facilities can be categorized as being in excellent. Inspection of these facilities will be incorporated into the next four-year inspection cycle.

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. Starting 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 are 70 newly constructed or reconstructed Illinois Tollway facilities throughout the system. 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 Contracts RR-12-4079 and RR-12-4267 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 a future design contract with budget to be determined.

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. The Construction of the M-7 Truck Wash was completed in 2019. The reconstruction of the M-8 Facility is scheduled to begin in 2020 with completion in 2021.

In 2001, it was first recommended to program the replacement of deteriorated salt dome roofs throughout the system into a system-wide 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 five 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-6 (Marengo)
- Maintenance Facility M-8 (Naperville) - Construction beginning in 2020

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. System-wide, there were seven Toll Plazas last rated in poor condition.

- Plaza 14 (Route 59)
- Plaza 15 (IL Route 53)
- Plaza 18 (Arlington Heights Road)
- Plaza 31 (O'Hare West)
- Plaza 37 (I-55/Joliet Road)
- Plaza 38 (38th Street)
- Plaza 47 (Halsted Street/IL Route 1)

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 this location including gas stations and convenience stores operated by others.

The Hinsdale Oasis is scheduled for demolition starting in 2020 and to be completed in 2021.

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 system-wide. 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 devices are closed-circuit television (CCTV) cameras, vehicle detection systems (VDS), dynamic message signs (DMS), roadway weather information systems (RWIS), weigh-in-motion (WIM) stations, advanced warning flashing beacons, and active traffic management systems (ATMS). The ITS infrastructure consists of cabinet enclosures, pole mounting structures, and site foundations that are associated with each device.

As of 2019, the Illinois Tollway has the following ITS devices deployed in its system.

Table 14: ITS Device Summary

Type	CCTV[1]	VDS	Flash Beacon	DMS[2]	RWIS	WIM	ATMS[3]	**Total**
Quantity	1309	433	4	77	19	7	376	2,225

[1]CCTV devices consist of ITS, toll plazas and shared use cameras.

[2]DMS devices consist of Type 1, and Type 2.

[3]ATMS consist of lane control use sign and 3ftx9ft full-matrix display 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 2019.

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.

The 2019 annual inspection of ITS assets reported that 94.8% of all the Illinois Tollway's ITS devices are operating within their intended lifecycle, and their infrastructures are estimated to be in "Good Condition" with an average Overall Condition Index (OCI) of 87.21.

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. The electronic tolling system is operated by the Illinois Tollway's Department of Business Systems (DBS) whose primary objective is revenue collection and assurance. Due to the business-critical nature of this system, it is compartmentalized, firewalled, and operated independently from any other Illinois Tollway system, including ITS.

The Illinois Tollway's electronic tolling system consists of technology deployed at its 93 toll plazas across 580 lanes that includes cameras, vehicle detection equipment, and point of sale equipment, as well as robust back-office hardware and software systems, telecommunications and networking facilities, violations processing, and an IPASS customer service center. Back-office operations are located across 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.

Tollway Staff and external personnel are responsible for preventive, routine and corrective maintenance of tolling system 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. DBS utilizes an independent asset management consultant who performs routine inspections to ensure the health and reliability of these technologies. Specific repair activities identified during these inspections will be documented and tracked in the DBS Asset Management System and preventative maintenance activities are deployed as needed to mitigate identified concerns. These systems are maintained in good condition.

Due to the increased deployment of, and reliance on electronic tolling system devices, it is recommended that the Illinois Tollway's independent inspectors continue to perform inspections, report findings to the DBS asset management consultant, and perform maintenance activities as directed to ensure the Illinois Tollway's assets remain in a state of good repair.

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 2020 through 2032. 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 $14.1 billion for the execution of *Move Illinois* Program as described in Sections 2 and 3 with approximately $6.3 billion spent through 2019
- 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 $5.8 billion of bond proceeds and approximately $8.3 billion of Illinois Tollway revenue.
- The below deposits consist of revenues to be used for Renewal and Replacement expenditures.
- Minimal proceeds from Bond Issuances in the years of 2027-2032.

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
2020	$120,000,000
2021	$228,000,000
2022	$228,000,000
2023	$216,000,000
2024	$216,000,000
2025	$216,000,000
2026	$216,000,000
2027	$552,000,000
2028	$500,000,000
2029	$500,000,000
2030	$500,000,000
2031	$500,000,000
2032	$500,000,000

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 currently consists of 16 primary functions, including: Administration, Business Systems, Communications, Directors/Executive, Diversity and Strategic Development, Engineering, Facilities and Fleet, Finance, Illinois State Police, Information Technology, Inspector General (Investigations), Internal Audit, Legal, Planning, Procurement, and Toll Operations. The following table identifies, by primary function, the budgeted and actual Operating Expenses for the Illinois Tollway in 2019, the budgeted Operating Expenses for 2020, and the tentatively budgeted Operating Expenses for 2021. Below are comparisons, followed by the table.

- The 2020 budget represented a 4.1% increase compared to the 2019 budget (not shown in the following table) and an 8.6% increase compared to 2019 actual expenses.
- The 2021 tentative budget represents a 0.2% decrease compared to the 2020 budget and a 6.6% increase compared to 2020 estimated actual expenses.

NOTE: Due to certain departmental organizational changes implemented in 2020 and effect for the "2020 Estimates" and "2021 Tentative Budget" shown below, the columns "2019 Actual" and "2020 Budget" have been restated to conform to such departmental organizational changes.

Table 17: 2020 Budgeted Expenditures

Department	2019 Actual	% of Total	2020 Budget	% of Total	2020 Estimate	% of Total	2021 Tentative Budget	% of Total
Administration	$4,618,724	1.3%	$4,028,545	1.1%	$4,101,000	1.1%	$5,473,982	1.4%
Business Systems	$19,508,860	5.6%	$24,298,388	6.4%	$25,080,000	6.9%	$24,033,003	6.3%
Communications	$1,502,051	0.4%	$1,627,127	0.4%	$1,597,000	0.4%	$1,571,104	0.4%
Diversity and Strategic Development	$4,640,734	1.3%	$5,825,200	1.5%	$4,886,000	1.3%	$6,355,368	1.7%
Engineering	$66,984,734	19.1%	$65,122,712	17.1%	$75,425,000	20.7%	$64,477,353	17.0%
Facilities and Fleet	$33,760,684	9.6%	$37,486,466	9.9%	$35,792,000	9.8%	$38,669,070	10.2%
Planning	$3,281,851	0.9%	$4,100,547	1.1%	$2,540,000	0.7%	$3,967,154	1.0%
Executive Office and Directors	$2,128,038	0.6%	$2,633,610	0.7%	$2,612,000	0.7%	$3,875,475	1.0%
Finance	$77,732,886	22.2%	$86,292,960	22.7%	$78,011,000	21.4%	$81,194,720	21.4%
Procurement	$13,031,867	3.7%	$23,567,202	6.2%	$21,444,000	5.9%	$26,827,033	7.1%
Information Technology	$833,926	0.2%	$1,155,956	0.3%	$757,000	0.2%	$1,143,658	0.3%
Inspector General	$662,890	0.2%	$1,048,037	0.3%	$652,000	0.2%	$1,168,165	0.3%
Internal Audit	$1,594,687	0.5%	$1,925,584	0.5%	$1,590,000	0.4%	$1,991,434	0.5%
Legal	$5,060,404	1.4%	$3,318,289	0.9%	$2,939,000	0.8%	$3,200,942	0.8%
State Police (Illinois)	$34,896,890	10.0%	$34,790,437	9.1%	$37,355,000	10.2%	$35,641,241	9.4%
Toll Operations	$79,967,467	22.8%	$83,026,478	21.8%	$70,219,000	19.2%	$79,926,740	21.1%
Total	**$350,206,694**	**100%**	**$380,247,536**	**100%**	**$365,000,000**	**100%**	**$379,516,443**	**100%**

The existing Illinois Tollway system to be maintained and operated includes 294 centerline 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). Improvements in progress as part of 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. Five departments are influenced by dynamic factors that may change from year to year: Toll Operations, Business Systems, Engineering, Facilities and Fleet, and Finance. These five departments account for 78% of the Illinois Tollway's 2020 operating expense budget, and 76% of its 2021 tentative operating expense budget.

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 has continued to decrease over the past 10 years as the Illinois Tollway makes investments in electronic toll collection and as percentage of transponder transactions increase. The number of budgeted toll collector positions has decreased over 50% from 2009 to 2020. This trend continues in the 2021 tentative budget which reflects a 17% reduction in the number of budgeted toll collector positions compared to 2020, decreasing from 308 to 257. Toll collection staffing is expected to decline further over time as the percentage of manual transactions decrease due to market penetration of transponders and an expectation of an increased portion of the System that is all-electronic-tolling Expenses related to Toll Operations comprise approximately 21% of the 2021 tentative budget and are variable, impacted by 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 45% of the total department cost in the 2021 tentative budget. As staffing levels have adjusted downward, the salary and wage costs are reduced, even considering wage adjustments. The combined budgeted cost of salary, wages and benefits declined over 9% from approximately $39.4 million in the 2020 budget to approximately $35.7 million in the 2021 tentative budget.

All new facilities that the Illinois Tollway opens, such as the Elgin O'Hare Western Access roadways, have been and will be exclusively electronic. Additionally, the Illinois Tollway continues to evaluate options to increase the portion of its current system that is all-electronic, including the possibility of making permanent the system's current status as exclusively electronic, a status implemented effective March 14, 2020 in response to the COVID-19 pandemic and which remains in place as of the date of this report. The Tollway has not yet formally determined to eliminate cash tolling, but continues to study industry trends and evaluate options, and considers it unlikely that pre-pandemic levels of cash tolling will return.

6.2.2 Business Systems

The Business Systems Department expenses represent 26% of the Illinois Tollway's 2020 budget and is responsible for overseeing the electronic tolling system, collecting toll revenue, customer service, and assessing and collecting unpaid tolls.

Beginning in June 2020, the Illinois Tollway enacted a new invoicing process for unpaid tolls. Customers are still granted a 14 day period for to pay any unpaid tolls on-line at no additional cost, however after the 14 day period, rather than receiving a $20 violation fine for each unpaid toll, owners across all vehicle classes will receive an invoice for the unpaid tolls with an initial fee nearer the toll rates for each class of vehicles. Initial notice fees begin at $3.00 for standard passenger vehicles, to be followed by an additional $5.00 fee if nonpayment continues, eventually followed by the aforementioned $20.00 fine if nonpayment continues.

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, 2015-2021, the overall department budget has increased by 120% between 2011 and the budget year 2021.

As discussed above regarding Toll Operations, while the Tollway is evaluating options to permanently increase the portion of its system that is exclusively electronic, including making permanent the current exclusively electronic status of the entire system, as implemented in March 2020 in response to the COVID-19 pandemic, 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 that of 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 new growth in system lane miles will all contribute to driving up costs within the Business Systems Department. Business Systems' expenditures are anticipated to experience an average annual increase of 4.9% 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 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.

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	2290.7
2020	294.0	2295.9
2021	297.2	2331.6
2022	297.5	2337.8
2023	300.1	2369.9
2024	300.1	2387.8
2025	301.3	2398.6
2026	301.3	2408.9
2027	301.3	2417.9

For the 2021 Tentative Budget, the Engineering Department has budgeted for a headcount of 604 employees, with approximately 91% of the employees within the Maintenance / Traffic unit. The Maintenance / Traffic unit is subdivided into the following groups (staffing levels projected in the 2020 Budget):

- Roadway Maintenance has budgeted for 394 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 has budgeted for 68 staffed positions and is responsible for the maintenance of all Illinois Tollway vehicles.
- Sign Shop has budgeted for 20 staffed positions.
- Roadway Electric has budgeted for 17 staffed positions.
- Traffic Operations has budgeted for 17 staffed positions in the traffic operations center.
- Dispatch has budgeted for 36 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 2019 were snow and ice control (41%), roadside litter control (15%) and Motorist Aid (Aid Patrols & H.E.L.P. (9%).

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 $43.6 million in the 2020 budget and $40.1 million in the 2021 tentative budget, which represents a 49% of Finance Department expenses and 10.6% of total Illinois Tollway operating expenses. Insurance costs may vary in the future due to changes in premiums and staffing levels, self-insurance requirements and other factors. The Finance Department also includes bank charges for account replenishment, which totaled $30.2 million in the 2021 tentative budget, representing a 37% share of Finance Department expenses.

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 – 2021, the employer contribution rates published by the State Employees' Retirement System (SERS) are as follows. A preliminary rate for State fiscal year 2022 is also included.

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%
2021	7/1/2020	6/30/2021	54.831%
2022 (projected)	7/1/2021	6/30/2022	56.169%*

* *Released at SERS Board meeting dated October 27, 2020.*

Factoring 7.65% FICA contribution, an overall employer contribution rate of 56.4% has been used for the purposes of projecting future operating costs beyond 2022.

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 2020 through 2032 as provided in the table below.

Table 20: Estimated Operating Expenses

Year	Operating Expenses (Millions)	Annual Increase
2020	$365.0	
2021	$379.5	4.0%
2022	$395.5	4.2%
2023	$409.4	3.5%
2024	$424.0	3.6%
2025	$439.0	3.5%
2026	$455.3	3.7%
2027	$471.8	3.6%
2028	$488.2	3.5%
2029	$505.0	3.4%
2030	$522.4	3.4%
2031	$540.4	3.4%
2032	$559.2	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 3.61% between 2021 and 2032. 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 2032). 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 2020, the ninth 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 $14.107 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 issuances of Toll Highway Senior Revenue Bonds, 2020 Series A and 2020 Series B, the sales and issuances of which are expected in the fourth quarter 2020. This report is subject to the limitations described within each 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, such as the COVID-19 pandemic, are 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.

APPENDIX C

TRAFFIC ENGINEERS' REPORT

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November 20, 2020

Ms. Cathy Williams
Chief Financial Officer
The Illinois State Toll Highway Authority
2700 Ogden Avenue
Downers Grove, IL 60515

Subject: **Illinois Tollway Comprehensive Study Update**

Dear Ms. Williams:

Pursuant to your 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, 2020 Series A and 2020 Series B, with sales expected in the fourth quarter of 2020.

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 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 December 2019 in support of ISTHA's "Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding)."

The following report replaces the December 2019 update and brings data sources, analyses, and projections current as of the date of this document. 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 ON TO 2050, which is the latest plan and socioeconomic forecast for the Chicago region from the Chicago Metropolitan Agency for Planning (CMAP). ON TO 2050 was adopted by the CMAP board on October 10, 2018. CDM Smith's update is expected to be completed in 2020.

Since the previous forecast made in December 2019, significant external events and internal operational changes have occurred. First, the COVID-19 pandemic has substantially reduced transaction and revenue performance on the Illinois Tollway system, particularly for passenger vehicles, beginning in March 2020 and continuing to the time of publication of this report. The novel nature of the virus, as well as evolving public policy responses at the national, state, and local levels, introduces significant uncertainty into the near-term traffic and revenue forecasts.

As a precaution to prevent the spread of COVID-19 to Tollway customers and employees, the Illinois Tollway suspended cash collections systemwide. Beginning March 13, 2020, toll booths have not been staffed, and automatic toll payment machines have been deactivated. The suspension of cash collections remains in place as of the date of this report, with uncertainty as to the extent and timing of any reopening.

Additionally, the Illinois Tollway introduced the *TOLLING 2020* initiative on June 25, 2020. This initiative provides relief from fees for unpaid tolls accrued between March 9 and June 25, 2020, relief for violations incurred prior to March 9, and a new invoicing process to increase collection of unpaid tolls before nonpayment reaches the violation process. The effect of this initiative on the use of toll payment options, such as I-PASS, moving forward is uncertain.

CDM Smith forecasts expected revenues, not collected revenues. The temporary suspension of cash collections is not anticipated to impact expected revenue estimates, but may impact net revenues. CDM Smith's forecast of expected revenue does not account for evaded tolls or recovery efforts, and so the *TOLLING 2020* initiative does not impact our forecast. Please refer to the main body of the Official Statement, including the sub-sections "Toll Collections", "Pro Forma Debt Service Coverage", and "Certain Risk Factors", for information on toll evasion and evasion recovery.

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.

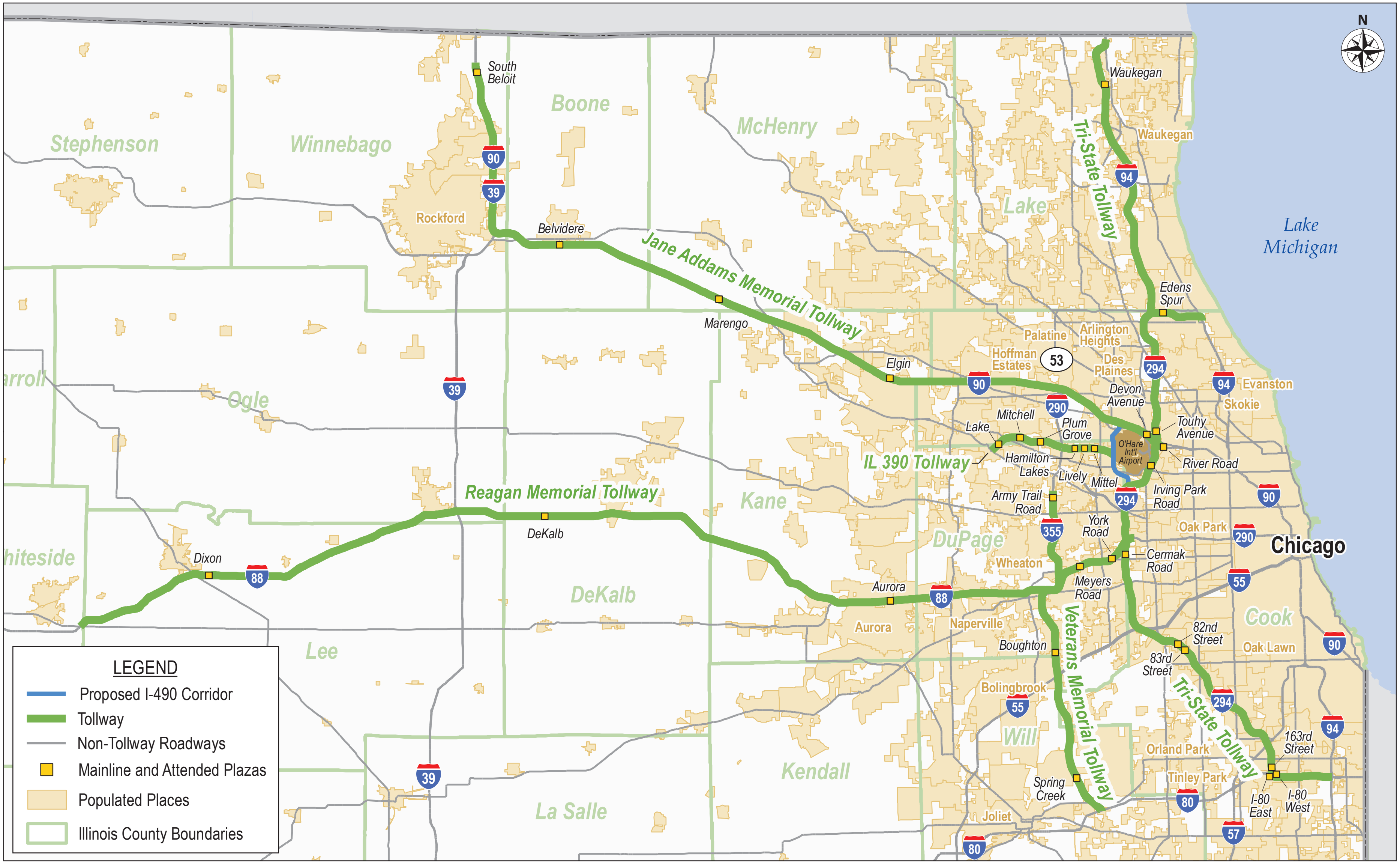
In September 2004, the ISTHA Board of Directors (Board) approved a long-range capital plan, called the Congestion-Relief Program (CRP). At the same time, the Board approved a new toll-rate structure that was put into effect on January 1, 2005 to help finance the capital program. The CRP widened several 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,* originally scheduled to be completed by 2026, is currently scheduled to be completed in 2027. 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 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 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.



CDM Smith

ILLINOIS TOLLWAY SERVICE AREA

FIGURE 1

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 substantial completion in 2026.

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 route, the I-490 Tollway, is 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 61 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 18 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.

TOLLING 2020

As described in the introduction to this report, cash collections on the Illinois Tollway have been suspended in response to the COVID-19 pandemic. The extent of any return of cash collections is uncertain. Some portion of cash collections may return. Descriptions of pre-pandemic cash collections options are included in this report.

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
2018	Jane Addams Memorial	12	Ramp	Roselle Road (WB on ramp)
2019	Reagan Memorial	64A	Ramp	IL 47 (WB off and EB on)
2019	Jane Addams Memorial	7A	Ramp	IL 23

*Entire system became cashless on March 13, 2020 in response to the COVID-19 pandemic.
**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 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

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]		2020[4]	
						Discount	Non-Discount	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	$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	$1.70	$2.55
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	$3.00	$3.85
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	$3.00	$3.85
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	$3.00	$3.85
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	$3.00	$3.85
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	$5.10	$6.80
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	$5.10	$6.80
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	$5.10	$6.80

(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.

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. 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 based on the rate of inflation.[1] In 2018, 2019, and 2020, CV rates increased based on inflation increases of 1.84, 2.25, and 2.07 percent, respectively. In 2021, CV rates are scheduled to increase based on an inflation increase of 1.56 percent. 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.

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 2020-2045 forecast. In 2019, the Tollway collected approximately $11.9 million in V-Toll surcharge revenue. Available trend data indicates a decline in V-Toll surcharge revenue to $9.0 million in 2020. CDM Smith anticipates small declines in V-Toll surcharge revenue to continue through 2024. V-Toll surcharge revenue is expected to

[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. 18516, dated November 20, 2008.

Table 3: Toll Rates for U.S. Toll Roads[1]

Toll Agency (State)	$ per mile	
	Passenger Car	5-Axle Truck
Adams Avenue Parkway, Inc (UT)	$1.000	$2.500
Skyway Concession Company (IL)	$0.718	$4.205
Globalvia (VA)[2]	$0.534	$0.920
Transportation Corridor Agencies (CA)	$0.509	$1.890
City of Chesapeake (VA)	$0.466	$0.609
Northwest Parkway, LLC (CO)	$0.432	$1.726
Toll Road Investors Partnership II (VA) [3]	$0.414	$1.250
Metropolitan Washington Airports Authority (VA)	$0.354	$0.970
Montgomery County Toll Road Authority (TX)	$0.347	$1.389
Central Texas Regional Mobility Authority (TX)	$0.320	$1.280
E-470 Public Highway Authority (CO)	$0.305	$1.163
San Diego Association of Governments (CA)	$0.275	$0.550
Fort Bend County Toll Road Authority (TX)	$0.229	$0.916
Orchard Pond Greenway, LLC (FL)	$0.229	$0.915
Connector 2000 Association (SC) [4]	$0.219	$0.750
Tampa-Hillsborough County Expressway Authority (FL)	$0.209	$0.835
Richmond Metropolitan Transportation Authority (VA)	$0.206	$0.294
North East Texas Regional Mobility Authority (TX)	$0.198	$0.791
North Texas Tollway Authority (TX)	$0.193	$0.774
Texas Department of Transportation (TX)	$0.190	$0.695
Harris County Toll Road Authority (TX)	$0.186	$0.868
Delaware Department of Transportation (DE)	$0.183	$0.399
SH 130 Concession Company, LLC (TX)	$0.182	$0.729
North Carolina Turnpike Authority (NC)	$0.176	$0.704
Cameron County Regional Mobility Authority (TX)	$0.169	$0.674
Central Florida Expressway Authority (FL)	$0.162	$0.393
Osceola County (FL)	$0.161	$0.645
Miami-Dade Expressway Authority (FL)	$0.160	$0.321
Mid-Bay Bridge Authority (FL)	$0.136	$0.727
Pennsylvania Turnpike Commission (PA)	$0.122	$0.624
New Jersey Turnpike Authority (NJ) - New Jersey Turnpike	$0.117	$0.385
South Carolina Department of Transportation (SC)	$0.110	$0.551
Maryland Transportation Authority (MD)	$0.102	$0.698
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)	$0.084	$0.295
Indiana Toll Road Concession Company (IN)	$0.077	$0.414
Virginia Department of Transportation (VA)	$0.075	$0.150
Illinois State Toll Highway Authority (IL)	**$0.067**	**$0.554**
Oklahoma Turnpike Authority (OK)	$0.061	$0.213
Maine Turnpike Authority (ME)	$0.058	$0.233
Ohio Turnpike and Infrastructure Commission (OH)	$0.056	$0.175
Florida Department of Transportation (FL)	$0.049	$0.198
New York State Thruway Authority (NY)	$0.049	$0.258
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	**$0.105**	**$0.434**

(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 August 2020.

(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.

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 percentage points 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 percentage points) 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 percentage point 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. Between 2015 and 2019, I-PASS usage grew an average of 1.0 percentage point per year to 90.7 percent. **Table 4** presents ETC rates by toll agency in 2019, 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, the Metropolitan Transportation Authority in New York, had a higher ETC usage rate for 2019.

Table 4: 2019 ETC Usage Rates for U.S. Toll Agencies

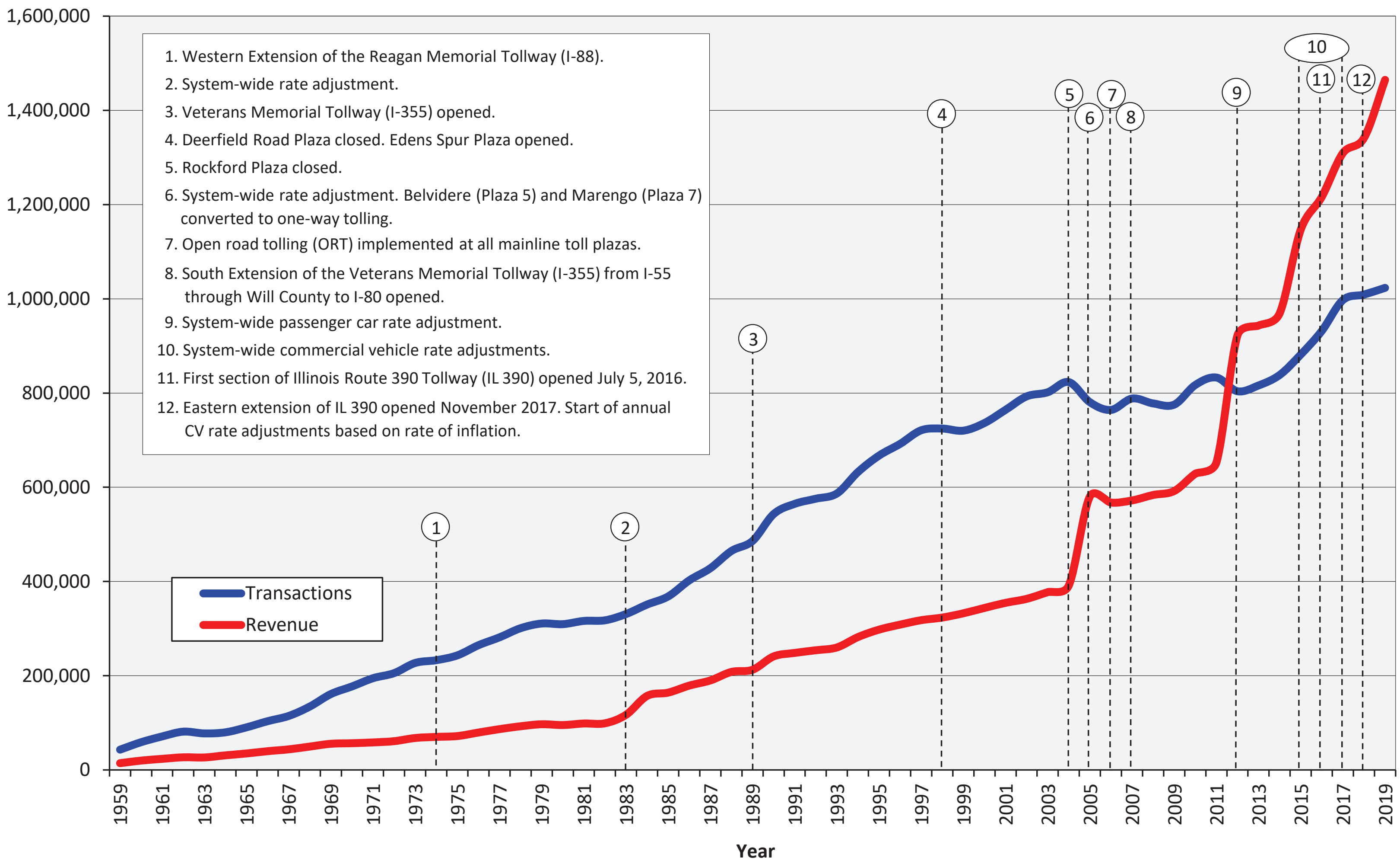
ETC Usage Rank	ETC Usage Rates	Toll Agency Name	Name of ETC System
1	95.1%	Metropolitan Transportation Authority (NY)	E-ZPass
2	90.7%	Illinois Tollway	I-PASS
3	87.8%	Port Authority of New York and New Jersey	E-ZPass
4	86.9%	New Jersey Turnpike Authority	E-ZPass
5	86.0%	Massachusetts Department of Transportation	E-ZPass
6	85.7%	Indiana Toll Road Concession Company	E-ZPass
7	83.5%	Florida's Turnpike	SunPass
8	83.0%	North Texas Tollway Authority	TollTag
9	82.5%	Pennsylvania Turnpike Commission	E-ZPass
10	82.0%	Maryland Transportation Authority	E-ZPass
11	78.9%	Oklahoma Turnpike Authority	PIKEPASS
12	78.7%	New York State Thruway Authority	E-ZPass
13	74.3%*	Harris County Toll Road Authority (Houston)	E-Z Tag
14	72.0%	Bay Area Toll Authority	FasTrak
15	68.4%	Ohio Turnpike Commission	E-ZPass

Source for ETC usage: respective toll facilities webpages and ISTHA-IAG Settlement Breakdown Reports.
*HCTRA ETC Usage Rate for 2019 is preliminary.

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 2019. 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 addition of the new IL 390 Tollway. One exception is the 3.5 percent decrease that occurred in



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[1]	Total	Total AAPC[1]
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%	86,286	7.2%	817,083	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]	889,184	0.6%	119,768	5.2%	1,008,952	1.2%
2019 [2]	900,809	1.3%	122,413	2.2%	1,023,222	1.4%
Growth Rates (AAPC [1])						
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 – 2019		2.4%		4.0%		2.5%

[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 [2]	Commercial Vehicles	CV AAPC [2]	Total	Total AAPC [2]
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 [3]	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 [3]	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 [3]	341,352	18.8%	239,090	129.1%	580,442	48.2%
2006 [4]	324,556	-4.9%	242,943	1.6%	567,499	-2.2%
2007 [5]	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 [3]	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 [3]	662,720	5.1%	483,909	43.0%	1,146,629	18.3%
2016 [3] [6]	686,846	3.6%	529,452	9.4%	1,216,298	6.1%
2017 [3] [6]	724,905	5.5%	584,285	10.4%	1,309,190	7.6%
2018 [3]	719,165	-0.8%	621,886	6.4%	1,341,051	2.4%
2019 [3]	726,063	1.0%	654,688	5.3%	1,380,751	3.0%
Growth Rates (AAPC [2])						
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 - 2019		8.5%		9.9%		9.1%

[1] Collected Revenue.
[2] Average Annual Percent Change.
[3] Systemwide passenger car or commercial rate adjustment.
[4] Open Road Tolling (ORT) implemented at all mainline toll plazas.
[5] Veterans Memorial Tollway (I-355) extension opened.
[6] Portions of IL 390 opened in July 2016 and November 2017.

2012. This decline is primarily attributable to the 2012 PC toll rate increase. In 2019, transactions reached an all-time high, totaling 1.02 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 2019, toll revenue increased 3.0 percent to a record high of $1.38 billion.

Recent Performance Trends

Systemwide

Between 2015 and 2019, the average annual increase in transactions was 3.8 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 4.8 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 3.9 percent since 2014, the last year before the start of the CV toll rate increases. 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 4.1 percent for that same period.

In 2019, total transactions grew by 1.4 percent over 2018. PC transactions grew by 1.3 percent, while CV transactions grew by 2.2 percent. The lower PC growth can be attributed to several major construction projects that occurred on the Tollway in 2019. 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.

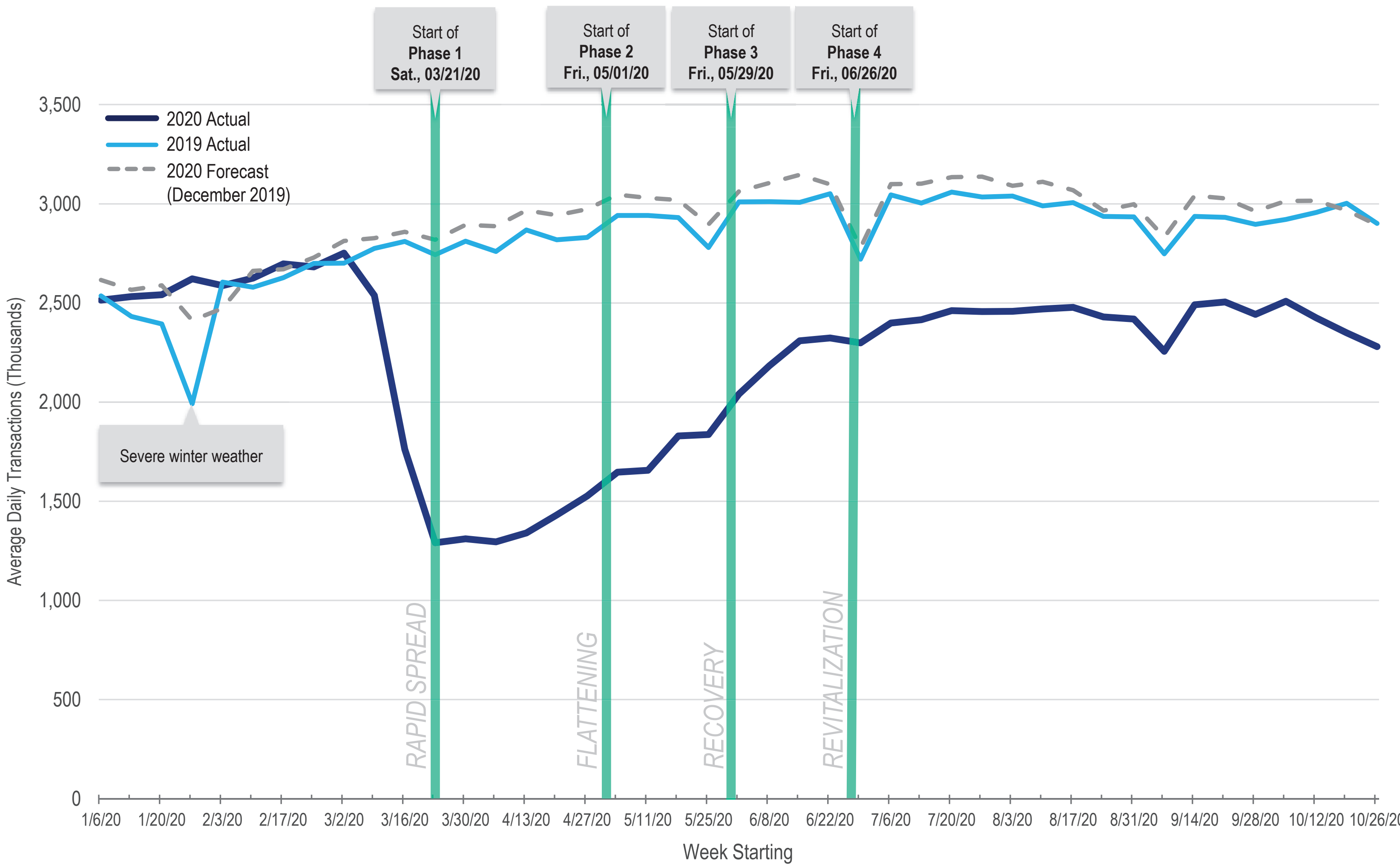
Year-to-Date Performance and COVID-19 Impacts

For January through October 2020, transactions are down 20.9 percent compared to the same period in 2019. Starting in mid-March, traffic volumes on the Illinois Tollway and throughout the

U.S. decreased significantly as a result of social distancing measures adopted in response to the COVID-19 pandemic. In Illinois, social distancing measures include the Governor's stay-at-home order first issued on March 20 and widespread school and workplace closures. **Figure 3** presents 2020 transaction trends by week, as compared to 2019 trends and forecasted transactions for 2020 in CDM Smith's Annual Revenue Certificate (October 2019).

In the first two months of 2020, transactions grew by 6.2 percent compared to 2019, due in part to a decrease in construction work and mild winter weather impacts. For March through October 2020, transactions were 26.5 percent below 2019 transactions for the same period. Transaction losses were most significant in April and May when COVID-19 related closures were most significant throughout the state of Illinois. Since then, transaction volumes have gradually increased to approach 2019 levels, particularly for CVs, as the state have shifted from Phase 1 to Phase 4 of the Governor's *Restore Illinois* reopening plan.

The impact of the pandemic restrictions and closures has been most significant on PCs. For March through October, PC transactions were 29.6 percent below 2019 transactions for the same period. In comparison, CV transactions were 3.8 percent below 2019 transactions for that period.



ILLINOIS TOLLWAY SYSTEM-WIDE TRANSACTIONS BY WEEK
YEAR-TO-DATE

CDM Smith

FIGURE 3

By Route

Annual revenues are presented by route 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, 2015-2019 (in thousands)(1)

Illinois Tollway Route	2015(2)	2016 % change	2016(2)(3)	2017 % change	2017(3)(4)	2018 % change	2018(5)	2019 % change	2019(5)
Jane Addams Memorial	$216,173	3.8%	$224,423	15.2%	$258,433	8.6%	$280,736	3.3%	$290,057
Tri-State	$529,177	6.7%	$564,780	5.6%	$596,569	2.3%	$610,289	1.4%	$618,877
Reagan Memorial	$186,111	4.0%	$193,505	2.9%	$199,192	-6.9%	$185,530	5.4%	$195,522
Veterans Memorial	$213,926	3.3%	$220,902	3.6%	$228,873	-0.3%	$228,236	4.3%	$238,006
Illinois Route 390			$11,323	118.1%	$24,699	41.2%	$34,873	5.2%	$36,701

(1) Collected revenue. Does not include oversized/overweight vehicle revenues.
(2) CV toll rates increased by 40.0, 7.14, and 6,67 percent in 2015, 2016, and 2017, respectively, for a total increase of 60.0 percent compared to 2014 rates.
(3) Tolling on the western portion of IL 390 began on July 5, 2016.
(4) Tolling on the eastern extension of IL 390 began on November 1, 2017.
(5) CV toll rates increased by 1.84 percent in 2018 and 2.25 percent in 2019.

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. Large, 5-axle trucks also account for a significant portion of total transactions at this plaza, 18.0 percent, compared with 8.3 percent of transactions systemwide. In 2018 and 2019, transactions on this route were depressed as a result of significant construction impacts, including reconstruction and widening work on the Central Tri-State and reconstruction work on the Edens Spur.

Table 8: Jane Addams Memorial Tollway Monthly Transactions

Passenger Cars	2015	% change	2016	% change	2017	% change	2018	% change	2019	% change	2020
January	11,403,355	-1.3%	11,256,119	10.8%	12,476,424	12.7%	14,054,726	12.7%	13,643,718	9.3%	14,914,662
February	10,538,582	4.7%	11,036,023	9.7%	12,106,879	5.4%	12,758,466	5.4%	13,660,899	7.7%	14,713,445
March	12,465,438	-0.9%	12,347,381	12.7%	13,916,752	11.1%	15,462,433	11.1%	16,106,528	-26.2%	11,879,252
April	12,722,550	-4.2%	12,184,781	15.3%	14,042,999	8.5%	15,229,791	8.5%	16,006,946	-53.4%	7,460,709
May	13,344,445	-2.5%	13,010,318	15.4%	15,017,498	10.2%	16,556,743	10.2%	17,127,755	-39.7%	10,333,354
June	13,229,481	-0.8%	13,125,023	17.9%	15,479,866	8.3%	16,761,437	8.3%	17,274,100	-23.7%	13,176,729
July	13,958,543	-0.3%	13,920,620	15.9%	16,136,909	7.0%	17,266,899	7.0%	17,838,754	-15.0%	15,169,009
August	13,744,428	0.0%	13,738,931	19.1%	16,365,919	6.2%	17,387,178	6.2%	18,062,712	-16.3%	15,123,843
September	12,699,112	0.7%	12,784,457	21.7%	15,560,403	2.3%	15,923,709	2.3%	16,492,331	-13.2%	14,308,980
October	12,855,443	0.4%	12,912,226	22.7%	15,843,794	4.2%	16,505,626	4.2%	17,236,631	-15.7%	14,524,691
November	11,602,358	6.2%	12,316,287	21.2%	14,922,692	1.3%	15,121,796	1.3%	15,788,707		
December	11,888,883	4.5%	12,426,321	19.8%	14,889,794	4.5%	15,555,543	4.5%	16,320,509		
Total	**150,452,618**	**0.4%**	**151,058,487**	**17.0%**	**176,759,929**	**6.7%**	**188,584,347**	**3.7%**	**195,559,590**	**-19.5%***	**131,604,674 ***
Commercial Vehicles	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**	**% change**	**2020**
January	1,505,213	-3.3%	1,455,172	9.8%	1,598,186	12.1%	1,790,904	1.5%	1,817,047	6.5%	1,935,800
February	1,415,235	5.1%	1,487,243	3.6%	1,541,048	8.6%	1,673,514	6.7%	1,785,472	1.7%	1,816,185
March	1,671,967	0.4%	1,678,331	8.4%	1,818,549	7.1%	1,947,863	1.8%	1,983,416	-0.2%	1,979,817
April	1,746,473	-5.3%	1,654,029	6.3%	1,757,735	11.8%	1,965,026	5.5%	2,073,688	-13.6%	1,791,183
May	1,745,120	0.4%	1,752,216	11.6%	1,955,820	12.9%	2,207,658	-0.7%	2,192,611	-11.9%	1,930,771
June	1,801,833	2.0%	1,837,525	9.7%	2,016,141	8.4%	2,185,147	-1.9%	2,142,924	1.1%	2,166,426
July	1,799,607	-3.4%	1,738,960	11.2%	1,934,041	13.1%	2,187,418	0.5%	2,198,310	4.2%	2,290,908
August	1,786,881	5.4%	1,882,813	14.8%	2,162,011	5.8%	2,286,925	-1.3%	2,258,121	0.5%	2,269,871
September	1,768,049	0.3%	1,773,834	11.6%	1,979,449	2.3%	2,025,890	5.9%	2,144,656	5.4%	2,259,691
October	1,846,250	-2.6%	1,797,443	14.4%	2,056,703	9.3%	2,247,115	3.1%	2,316,343	0.7%	2,332,793
November	1,593,096	6.4%	1,694,351	13.0%	1,914,286	4.0%	1,991,333	0.1%	1,993,729		
December	1,543,965	3.5%	1,598,663	9.1%	1,743,998	3.5%	1,805,701	4.5%	1,886,219		
Total	**20,223,689**	**0.6%**	**20,350,580**	**10.5%**	**22,477,967**	**8.2%**	**24,314,494**	**2.0%**	**24,792,536**	**-0.7%***	**20,773,445***
All Vehicles Total	**170,676,307**	**0.4%**	**171,409,067**	**16.2%**	**199,237,896**	**6.9%**	**212,898,841**	**3.5%**	**220,352,126**	**-17.3%***	**152,378,119***

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Table 9: Tri-State Tollway Monthly Transactions

Passenger Cars	2015	% change	2016	% change	2017	% change	2018	% change	2019	% change	2020
January	24,131,583	7.1%	25,850,490	3.8%	26,829,779	-1.4%	26,445,873	-7.4%	24,477,668	6.1%	25,970,034
February	22,287,995	14.5%	25,518,386	0.6%	25,660,571	-6.4%	24,012,096	2.6%	24,642,656	3.2%	25,421,167
March	26,975,165	8.0%	29,139,069	1.3%	29,518,768	0.4%	29,640,144	-1.0%	29,349,544	-30.9%	20,268,819
April	27,613,191	4.5%	28,843,747	1.8%	29,357,889	-0.9%	29,103,116	-1.1%	28,792,026	-58.8%	11,863,819
May	29,580,696	5.3%	31,148,360	1.4%	31,580,843	-0.3%	31,498,669	-1.8%	30,945,512	-46.8%	16,466,460
June	30,021,033	4.2%	31,286,198	1.5%	31,741,369	-0.7%	31,521,505	-2.1%	30,847,888	-31.1%	21,268,003
July	31,738,508	2.3%	32,452,884	-0.9%	32,149,254	-1.1%	31,808,901	0.2%	31,867,888	-24.0%	24,214,335
August	31,227,450	2.8%	32,098,490	0.8%	32,344,656	-1.6%	31,811,852	0.4%	31,943,394	-24.4%	24,148,765
September	29,002,485	3.7%	30,077,803	0.5%	30,236,194	-3.9%	29,065,787	-0.1%	29,026,275	-20.4%	23,093,380
October	30,065,773	2.8%	30,895,165	-0.5%	30,742,982	-2.2%	30,072,201	1.2%	30,428,350	-22.5%	23,572,243
November	27,432,293	5.4%	28,916,196	0.1%	28,954,934	-3.8%	27,855,094	-0.4%	27,744,872		
December	27,835,222	-0.3%	27,745,597	1.9%	28,276,142	-0.9%	28,018,882	1.4%	28,418,077		
Total	**337,911,394**	**4.8%**	**353,972,385**	**1.0%**	**357,393,381**	**-1.8%**	**350,854,120**	**-0.7%**	**348,484,150**	**-26.0%***	**216,287,025***
Commercial Vehicles	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**	**% change**	**2020**
January	4,278,507	0.1%	4,284,468	7.2%	4,593,775	3.7%	4,765,467	1.1%	4,816,897	3.4%	4,979,460
February	4,003,393	9.1%	4,367,974	-0.4%	4,352,285	1.7%	4,427,273	6.7%	4,722,816	-2.1%	4,624,783
March	4,706,799	4.5%	4,916,721	3.1%	5,069,695	2.2%	5,179,497	-0.4%	5,158,571	-3.6%	4,972,654
April	4,810,234	0.3%	4,826,834	-1.4%	4,757,736	6.2%	5,053,353	3.8%	5,243,711	-17.7%	4,315,406
May	4,804,733	4.1%	4,999,967	5.2%	5,260,208	4.9%	5,515,658	-1.1%	5,454,817	-16.5%	4,557,363
June	4,957,449	4.4%	5,173,897	1.7%	5,260,653	2.5%	5,393,965	-3.0%	5,229,506	-1.5%	5,149,890
July	4,980,603	-2.9%	4,834,998	0.7%	4,868,398	9.2%	5,315,743	1.5%	5,395,006	-1.4%	5,320,606
August	4,941,940	7.0%	5,287,876	2.7%	5,432,999	3.9%	5,643,909	-1.8%	5,542,171	-2.9%	5,383,864
September	4,897,625	2.3%	5,008,117	-0.2%	4,999,274	1.5%	5,076,658	2.8%	5,220,516	4.3%	5,447,472
October	5,117,679	-0.4%	5,094,941	3.8%	5,290,296	7.2%	5,672,566	0.3%	5,691,449	1.4%	5,772,734
November	4,530,405	8.3%	4,906,004	2.4%	5,021,594	1.7%	5,107,693	-2.3%	4,988,567		
December	4,590,721	2.6%	4,709,813	-0.4%	4,689,855	2.5%	4,804,934	1.0%	4,854,861		
Total	**56,620,088**	**3.2%**	**58,411,610**	**2.0%**	**59,596,768**	**4.0%**	**61,956,716**	**0.6%**	**62,318,888**	**-3.7%***	**50,524,232***
All Vehicles Total	**394,531,482**	**4.5%**	**412,383,995**	**1.1%**	**416,990,149**	**-1.0%**	**412,810,836**	**-0.5%**	**410,803,038**	**-22.6%***	**266,811,257***

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Table 10: Reagan Memorial Tollway Monthly Transactions

Passenger Cars	2015	% change	2016	% change	2017	% change	2018	% change	2019	% change	2020
January	10,198,736	3.7%	10,577,439	1.2%	10,699,824	-0.7%	10,629,055	-10.8%	9,476,281	9.1%	10,340,576
February	9,447,808	11.1%	10,500,003	-1.7%	10,316,301	-6.4%	9,658,524	0.0%	9,661,066	5.2%	10,161,756
March	11,223,444	4.9%	11,770,514	-0.7%	11,689,063	0.5%	11,742,390	-4.3%	11,235,361	-29.4%	7,934,628
April	11,391,450	1.1%	11,521,477	0.1%	11,530,580	-2.7%	11,218,142	-1.8%	11,021,426	-59.4%	4,477,062
May	11,936,108	2.4%	12,224,933	2.0%	12,466,989	-5.5%	11,776,612	0.0%	11,776,595	-49.0%	6,011,608
June	11,719,846	2.2%	11,973,122	2.2%	12,241,570	-6.7%	11,420,535	1.1%	11,550,309	-32.1%	7,838,454
July	12,224,204	-1.6%	12,031,863	1.5%	12,206,584	-6.9%	11,366,750	3.6%	11,773,043	-23.0%	9,066,324
August	12,075,693	1.3%	12,235,315	2.8%	12,581,687	-8.7%	11,481,027	4.6%	12,014,668	-22.8%	9,275,685
September	11,698,731	0.6%	11,766,584	1.3%	11,923,983	-10.2%	10,707,807	4.2%	11,156,629	-19.6%	8,968,785
October	12,138,528	0.1%	12,151,971	-0.2%	12,124,341	-7.4%	11,227,297	5.1%	11,797,180	-21.7%	9,240,208
November	11,139,528	3.2%	11,494,308	0.2%	11,512,519	-9.0%	10,479,031	3.7%	10,866,150		
December	11,469,061	-2.7%	11,164,091	2.7%	11,466,114	-4.9%	10,900,038	3.7%	11,298,392		
Total	**136,663,137**	**2.0%**	**139,411,620**	**1.0%**	**140,759,555**	**-5.8%**	**132,607,208**	**0.8%**	**133,627,100**	**-25.3%***	**83,315,086***
Commercial Vehicles	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**	**% change**	**2020**
January	986,601	-1.1%	975,386	2.3%	998,161	2.5%	1,023,423	-10.5%	915,600	12.3%	1,028,584
February	907,225	10.4%	1,001,623	-6.3%	938,766	1.0%	948,132	-2.8%	921,169	4.1%	959,091
March	1,079,518	5.6%	1,139,455	-2.9%	1,106,122	-0.5%	1,100,997	-9.1%	1,000,946	3.8%	1,039,193
April	1,136,845	-0.9%	1,126,742	-7.4%	1,043,637	-3.2%	1,010,054	4.8%	1,058,366	-11.1%	941,054
May	1,148,958	1.2%	1,163,117	1.1%	1,176,438	-7.4%	1,089,582	2.4%	1,115,843	-11.1%	992,208
June	1,203,281	1.5%	1,221,222	-1.2%	1,206,819	-12.3%	1,058,497	2.5%	1,084,510	4.0%	1,128,123
July	1,199,139	-6.3%	1,124,144	-0.3%	1,120,858	-7.2%	1,040,053	9.5%	1,138,591	3.8%	1,181,823
August	1,168,588	3.4%	1,208,425	3.8%	1,254,768	-13.0%	1,092,252	9.5%	1,196,320	-2.1%	1,171,363
September	1,181,085	-1.3%	1,165,415	-1.8%	1,143,984	-15.5%	966,550	15.9%	1,120,023	4.6%	1,171,680
October	1,216,524	-2.4%	1,187,077	0.3%	1,190,501	-8.2%	1,092,969	13.0%	1,234,539	1.7%	1,255,378
November	1,072,098	5.8%	1,133,948	-2.1%	1,109,783	-12.4%	971,805	9.3%	1,061,793		
December	1,060,477	-0.8%	1,051,789	-3.1%	1,018,793	-12.1%	895,682	13.5%	1,016,224		
Total	**13,360,339**	**1.0%**	**13,498,343**	**-1.4%**	**13,308,630**	**-7.7%**	**12,289,996**	**4.7%**	**12,863,924**	**0.8%***	**10,868,497***
All Vehicles Total	**150,023,476**	**1.9%**	**152,909,963**	**0.8%**	**154,068,185**	**-6.0%**	**144,897,204**	**1.1%**	**146,491,024**	**-23.0%***	**94,183,583***

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Table 11: Veterans Memorial Tollway Monthly Transactions

Passenger Cars	2015	% change	2016	% change	2017	% change	2018	% change	2019	% change	2020
January	11,401,361	4.0%	11,858,990	1.3%	12,008,874	-0.5%	11,953,048	-12.7%	10,435,100	12.4%	11,724,359
February	10,556,284	11.0%	11,717,476	-1.8%	11,501,276	-5.3%	10,887,468	-1.7%	10,704,629	6.3%	11,379,558
March	12,383,925	5.4%	13,047,276	0.1%	13,053,918	-0.4%	13,003,275	-5.9%	12,238,200	-25.9%	9,066,044
April	12,653,483	1.6%	12,856,571	0.5%	12,917,852	-0.5%	12,853,314	-3.4%	12,413,936	-55.0%	5,580,487
May	13,261,375	2.4%	13,586,170	2.3%	13,896,221	-2.1%	13,604,903	-2.4%	13,283,313	-44.2%	7,405,996
June	13,381,433	1.9%	13,637,079	2.8%	14,013,600	-7.2%	13,005,360	1.3%	13,175,847	-27.0%	9,624,245
July	13,765,850	-1.9%	13,500,456	1.8%	13,745,712	-7.9%	12,657,035	5.9%	13,410,000	-19.1%	10,849,432
August	13,497,499	1.7%	13,731,750	3.2%	14,172,529	-11.3%	12,566,079	8.7%	13,657,341	-19.4%	11,007,211
September	13,050,465	0.0%	13,047,152	2.4%	13,357,826	-13.8%	11,520,516	9.8%	12,649,300	-15.8%	10,651,259
October	13,576,411	-1.5%	13,368,486	1.4%	13,558,822	-8.6%	12,395,141	9.3%	13,548,879	-18.9%	10,984,468
November	12,326,061	2.6%	12,646,881	1.3%	12,815,009	-11.8%	11,305,074	8.6%	12,281,164		
December	12,837,718	-2.4%	12,532,704	1.5%	12,724,093	-8.4%	11,659,210	8.0%	12,595,545		
Total	**152,691,865**	**1.9%**	**155,530,991**	**1.4%**	**157,765,732**	**-6.6%**	**147,410,423**	**2.0%**	**150,393,254**	**-21.7%***	**98,273,059***
Commercial Vehicles	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**	**% change**	**2020**
January	994,841	-0.9%	986,134	5.9%	1,044,770	6.2%	1,109,380	-6.6%	1,036,167	9.9%	1,138,333
February	897,721	12.4%	1,009,213	-1.8%	990,960	3.0%	1,020,797	1.6%	1,037,079	1.2%	1,049,196
March	1,064,173	6.1%	1,129,275	2.4%	1,156,540	2.8%	1,189,334	-6.4%	1,112,958	0.4%	1,117,309
April	1,146,660	0.5%	1,152,348	-2.8%	1,119,620	7.0%	1,197,796	2.1%	1,222,540	-15.7%	1,030,544
May	1,170,813	4.3%	1,220,615	5.3%	1,285,820	3.3%	1,328,193	0.9%	1,340,260	-18.3%	1,095,260
June	1,232,579	4.3%	1,285,937	3.6%	1,332,168	-4.2%	1,276,431	1.2%	1,292,304	-1.6%	1,271,952
July	1,251,252	-4.0%	1,200,774	1.8%	1,222,314	1.2%	1,236,478	10.7%	1,369,140	-2.2%	1,339,648
August	1,220,053	6.4%	1,297,983	5.3%	1,366,769	-7.6%	1,262,712	10.5%	1,395,289	-5.7%	1,315,417
September	1,225,700	0.4%	1,230,928	0.7%	1,239,958	-8.9%	1,129,484	12.6%	1,272,182	3.1%	1,311,050
October	1,276,046	-2.5%	1,243,963	4.6%	1,301,552	-1.4%	1,283,567	10.7%	1,420,386	-2.2%	1,389,497
November	1,120,669	6.1%	1,188,772	3.3%	1,227,982	-7.5%	1,135,783	7.9%	1,226,068		
December	1,091,763	1.6%	1,109,663	0.3%	1,113,341	-9.0%	1,012,623	14.2%	1,156,513		
Total	**13,692,270**	**2.7%**	**14,055,605**	**2.5%**	**14,401,794**	**-1.5%**	**14,182,578**	**4.9%**	**14,880,886**	**-3.5%***	**12,058,206***
All Vehicles Total	**166,384,135**	**1.9%**	**169,586,596**	**1.5%**	**172,167,526**	**-6.1%**	**161,593,001**	**2.3%**	**165,274,140**	**-20.1%***	**110,331,265***

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Table 12: Illinois Route 390 Tollway Monthly Transactions

Passenger Cars	2015	% change	2016	% change	2017	% change	2018	% change	2019	% change	2020
January					3,697,662	44.3%	5,334,952	-0.7%	5,299,901	7.7%	5,706,310
February					3,445,820	43.0%	4,927,159	7.1%	5,277,101	4.3%	5,505,372
March					3,873,870	49.8%	5,802,574	1.8%	5,909,190	-22.4%	4,587,405
April					3,816,741	49.0%	5,688,047	5.3%	5,992,284	-48.1%	3,107,230
May					4,154,891	49.2%	6,199,629	3.7%	6,427,578	-42.1%	3,718,396
June					4,185,102	45.7%	6,098,755	3.4%	6,307,688	-27.2%	4,593,333
July			3,598,227	14.1%	4,106,193	47.5%	6,054,937	7.4%	6,500,247	-22.0%	5,071,439
August			4,200,226	4.0%	4,366,231	44.1%	6,292,187	4.8%	6,597,344	-23.0%	5,078,801
September			3,993,977	2.3%	4,087,021	40.5%	5,741,412	5.8%	6,076,003	-18.8%	4,936,313
October			4,151,140	0.7%	4,178,727	49.3%	6,238,181	4.7%	6,532,120	-21.2%	5,148,018
November			3,895,510	40.0%	5,453,226	4.4%	5,690,700	3.7%	5,901,155		
December			3,830,159	41.6%	5,424,038	4.3%	5,658,905	4.7%	5,924,275		
Total			**23,669,239**	**114.6%**	**50,789,522**	**37.3%**	**69,727,438**	**4.3%**	**72,744,886**	**-22.1%***	**47,452,617***
Commercial Vehicles	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**	**% change**	**2020**
January					245,887	108.5%	512,712	5.5%	540,942	7.0%	578,768
February					236,239	104.1%	482,090	9.6%	528,211	-0.5%	525,826
March					284,565	97.6%	562,366	0.3%	563,952	-0.2%	562,888
April					279,995	104.0%	571,063	6.6%	608,950	-13.8%	524,643
May					326,084	93.2%	630,037	4.6%	659,260	-16.9%	547,525
June					339,024	83.7%	622,620	1.6%	632,765	0.9%	638,575
July			307,149	1.3%	311,155	98.2%	616,846	13.5%	700,132	-1.9%	687,160
August			358,380	-0.1%	358,074	82.3%	652,858	10.0%	718,400	-7.2%	667,007
September			336,767	-4.0%	323,139	83.4%	592,749	10.6%	655,601	1.7%	666,717
October			346,105	-4.8%	329,396	104.0%	671,948	13.2%	760,816	-4.8%	724,512
November			314,090	73.5%	544,907	7.4%	585,009	4.7%	612,712		
December			269,477	86.3%	501,993	4.4%	524,028	9.7%	574,823		
Total			**1,931,968**	**111.2%**	**4,080,458**	**72.1%**	**7,024,326**	**7.6%**	**7,556,564**	**-3.9%***	**6,123,621***
All Vehicles Total			**25,601,207**	**114.3%**	**54,869,980**	**39.9%**	**76,751,764**	**4.6%**	**80,301,450**	**-20.4%***	**53,576,238***

*Year-to-Date

Table 13: Total Illinois Tollway System Monthly Transactions

Passenger Cars	2015	% change	2016	% change	2017	% change	2018	% change	2019	% change	2020
January	57,135,035	4.2%	59,543,038	10.4%	65,712,563	4.1%	68,417,654	-7.4%	63,332,668	8.4%	68,655,941
February	52,830,669	11.2%	58,771,888	7.2%	63,030,847	-1.2%	62,243,713	2.7%	63,946,351	5.1%	67,181,298
March	63,047,972	5.2%	66,304,240	8.7%	72,052,371	5.0%	75,650,816	-1.1%	74,838,823	-28.2%	53,736,148
April	64,380,674	1.6%	65,406,576	9.6%	71,666,061	3.4%	74,092,410	0.2%	74,226,618	-56.2%	32,489,307
May	68,122,624	2.7%	69,969,781	10.2%	77,116,442	3.3%	79,636,556	-0.1%	79,560,753	-44.8%	43,935,814
June	68,351,793	2.4%	70,021,422	10.9%	77,661,507	1.5%	78,807,592	0.4%	79,155,832	-28.6%	56,500,764
July	71,687,105	5.3%	75,504,050	3.8%	78,344,652	1.0%	79,154,522	2.8%	81,389,932	-20.9%	64,370,539
August	70,545,070	7.7%	76,004,712	5.0%	79,831,022	-0.4%	79,538,323	3.4%	82,275,459	-21.4%	64,634,305
September	66,450,793	7.9%	71,669,973	4.9%	75,165,427	-2.9%	72,959,231	3.3%	75,400,538	-17.8%	61,958,717
October	68,636,155	7.1%	73,478,988	4.0%	76,448,666	0.0%	76,438,446	4.1%	79,543,160	-20.2%	63,469,628
November	62,500,240	10.8%	69,269,182	6.3%	73,658,380	-4.4%	70,451,695	3.0%	72,582,048		
December	64,030,884	5.7%	67,698,872	7.5%	72,780,181	-1.4%	71,792,578	3.8%	74,556,798		
Total	**777,719,014**	**5.9%**	**823,642,722**	**7.3%**	**883,468,119**	**0.6%**	**889,183,536**	**1.3%**	**900,808,980**	**-23.5%***	**576,932,461***
Commercial Vehicles	**2015**	**% change**	**2016**	**% change**	**2017**	**% change**	**2018**	**% change**	**2019**	**% change**	**2020**
January	7,765,162	-0.8%	7,701,160	10.1%	8,480,779	8.5%	9,201,886	-0.8%	9,126,653	5.9%	9,660,945
February	7,223,574	8.9%	7,866,053	2.5%	8,059,298	6.1%	8,551,806	5.2%	8,994,747	-0.2%	8,975,081
March	8,522,457	4.0%	8,863,782	6.4%	9,435,471	5.8%	9,980,057	-1.6%	9,819,843	-1.5%	9,671,861
April	8,840,212	-0.9%	8,759,953	2.3%	8,958,723	9.4%	9,797,292	4.2%	10,207,255	-15.7%	8,602,830
May	8,869,624	3.0%	9,135,915	9.5%	10,004,370	7.7%	10,771,128	-0.1%	10,762,791	-15.2%	9,123,127
June	9,195,142	3.5%	9,518,581	6.7%	10,154,805	3.8%	10,536,660	-1.5%	10,382,009	-0.3%	10,354,966
July	9,230,601	-0.3%	9,206,025	2.7%	9,456,766	9.9%	10,396,538	3.9%	10,801,179	0.2%	10,820,145
August	9,117,462	10.1%	10,035,477	5.4%	10,574,621	3.4%	10,938,656	1.6%	11,110,301	-2.7%	10,807,522
September	9,072,459	4.9%	9,515,061	1.8%	9,685,804	1.1%	9,791,331	6.3%	10,412,978	4.3%	10,856,610
October	9,456,499	2.3%	9,669,529	5.2%	10,168,448	7.9%	10,968,165	4.2%	11,423,533	0.4%	11,474,914
November	8,316,268	11.1%	9,237,165	6.3%	9,818,552	-0.3%	9,791,623	0.9%	9,882,869		
December	8,286,926	5.5%	8,739,405	3.8%	9,067,980	-0.3%	9,042,968	4.9%	9,488,640		
Total	**103,896,386**	**4.2%**	**108,248,106**	**5.2%**	**113,865,617**	**5.2%**	**119,768,110**	**2.2%**	**122,412,798**	**-2.6%***	**100,348,001***
All Vehicles Total	**881,615,400**	**5.7%**	**931,890,828**	**7.0%**	**997,333,736**	**1.2%**	**1,008,951,646**	**1.4%**	**1,023,221,778**	**-20.9%***	**677,280,462***

*Year-to-Date

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 and 2019, 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 2019, traffic on this route was dampened by major widening work between Roosevelt Road (IL 38) and Butterfield Road (IL 56).

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.

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 destinations), modal choice (auto, train, bus, walk), and trip assignment (specific route). Total 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, while the other 4 are adjacent to and contribute significant system traffic. The 15 counties 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 comprise the core counties, from which most toll revenues and transactions are generated. All three counties are relatively mature, with population growth levelling off in the preceding decades. Combined core counties' population increased 6.6 percent in the last four decades, between 1980 and 2019, from 6.35 to 6.77 million. Due to their large bases, these counties account for 29.7 percent of absolute population growth among the 15 counties over the four decades. Employment growth (per Bureau of Economic Analysis definition) occurred at a faster and sustained pace in the core, increasing 42.6 percent—from 3.41 to 4.89 million—between 1980 and 2018, representing more than two-thirds of all job growth in the 15 counties in that timeframe.

Collar counties include Will, Kane, McHenry, and DeKalb. Growth in the collar counties was slower during the suburbanization of 1950-1990 when Cook, DuPage, and Lake were growing most rapidly. However, after 1990, growth in the collar accelerated as available developable land diminished in the core. Collectively, the collar counties' population doubled between 1980 and 2019, from 0.83 to 1.64 million, accounting for 57.8 percent of absolute population growth in the 15 counties. Employment grew faster, at 150.3 percent between 1980 and 2018, from 327,249 to 819,073 jobs.

The Rockford MSA comprises Winnebago and Boone counties. The City of Rockford, in 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 around 250,000, reflecting a downturn in the nation's manufacturing base. However, population grow by 11.7 percent between 1990 and 2019 to 282,572.

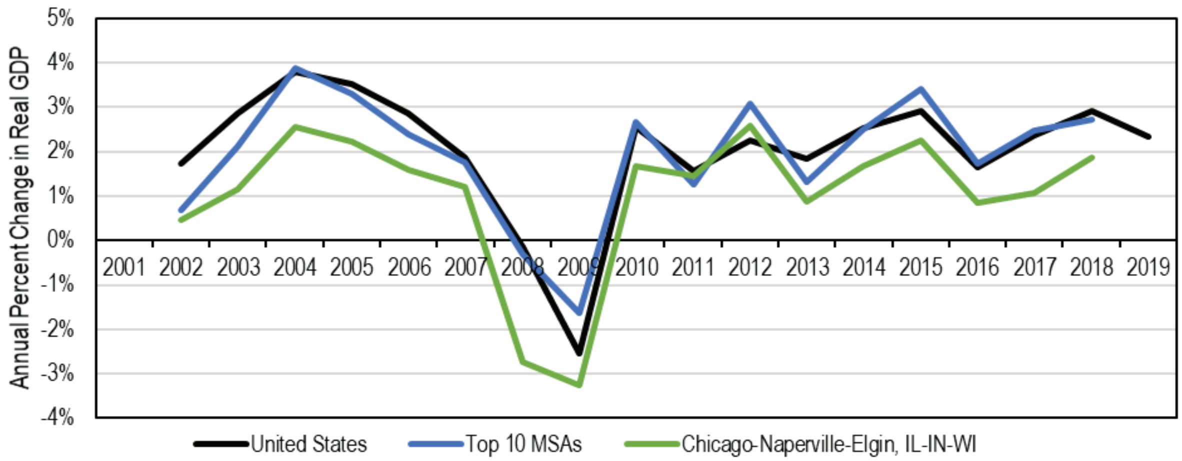
Lee and Ogle counties are at the western end of the Reagan Memorial Tollway. Both are rural and expected to remain rural. Lee County's population decreased 10.1 percent since 1970 to 34,096. Ogle County's population increased from 42,867 to 50,643, or 18.1 percent.

Recent Economic Activity and Short-Term Economic Projections

Since the Great Recession spanning from December 2007 to July 2009, there has generally been positive real GDP and employment growth in the U.S., with relatively strong growth in recent years. This trend changed in early 2020 with the COVID-19 pandemic. Data reflected in the subsequent two figures depict pre-COVID-19 growth patterns.

Figure 4 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 Great Recession, followed by a decade-plus rebound. It was the longest economic expansion on record, breaking the decade-long previous record from March 1991 to March 2001.

Figure 4: Historical Real GDP Growth

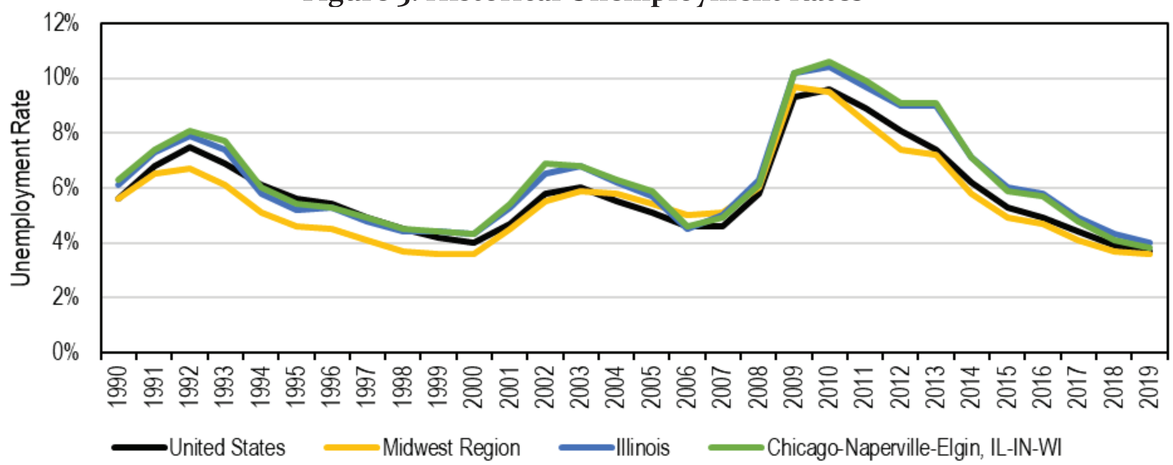


Source: Bureau of Economic Analysis.
*2018 Annual average data is not yet available at the MSA level.

Figure 5 depicts historical trends in unemployment rates for the Chicago MSA, Illinois, the Midwest, and the nation, which shows close parallels across time for the various geographies. The Chicago MSA's unemployment rate increased significantly during the Great Recession, from 4.9 percent in 2007 to a peak of 10.6 percent in 2010. After the peak, the unemployment rate in the Chicago MSA steadily declined, and dropped to 3.8 percent in 2019. However, the Chicago-area unemployment rate continued to remain slightly higher than the Midwest and national rates at 3.6 and 3.7 percent, respectively.

[2] Also called the "Chicago-Naperville-Elgin, IL-IN-WI" region.

Figure 5: Historical Unemployment Rates



Source: Bureau of Labor Statistics.

Per the Bureau of Labor Statistics (BLS), between 2018 and 2019, the U.S. labor market gained 1.8 million jobs, leading to a reduction in the annual unemployment rate from 3.9 percent in 2018 to 3.7 percent in 2019. National real (inflation-adjusted) GDP grew a healthy 2.3 percent in 2019. However, from March to early October 2020, at least 63 million individuals, more than one-third of the labor force, filed initial unemployment insurance claims due to policy responses and economic impacts from COVID-19. Many of these workers have since returned to previous jobs or found new employment opportunities elsewhere, but millions remain unemployed.

BLS' national unemployment rate was 14.7 percent for April, subject to revision and with a footnote suggesting that the number may be underrepresented by 5 percent. Since then, the unemployment rate has declined steadily, falling to 13.3 percent in May, 11.1 percent in June, 10.2 percent in July, 8.4 percent in August, and 7.9 percent in September. While improving over recent months, the unemployment rate remains high; aside from the pandemic, the last time the national unemployment rate exceeded 7.9 percent was January 2013, during the recovery from the Great Recession. In addition, the recent improvement in the unemployment rate reflects in part a decline in labor force participation.

First quarter real GDP shrank by an annualized 5.0 percent, which is significant considering the loss occurred almost entirely in March, with growth having occurred in both January and February. Second quarter real GDP contracted by an unprecedented annualized rate of 31.4 percent, according to the U.S. Bureau of Economic Analysis. During the Great Recession, the largest impact was an 8.4 percent annualized decline between the second and third quarters of 2008.

Most forecasting sources have published data since mid-March, when COVID-19 impacts and policy responses became widespread, with varying release schedules. **Table 14** depicts forecasts for national real GDP growth for 2020 and 2021, with an average forecast of a contraction of 5.7

percent for 2020, ranging from a 4.0 percent to 8.4 percent decline. These forecasts compare to the 2.3 percent growth observed in 2019. In 2021, the GDP is forecasted to resume positive growth across all forecasts, on average 3.7 percent, albeit not at rebounding rates**.** As a result, real GDP levels may be below 2019 levels, and perhaps closer to 2018 levels, in 2021.

Table 14: National Forecasts for Real GDP Growth

Source	Release Date	2020	2021
University of Michigan: Research Seminar in Quantitative Economics (RSQE)	May 18, 2020	-4.0%	3.3%
TD Economics	June 17, 2020	-4.5%	4.3%
ScotiaBank Global Economics	August 4, 2020	-4.7%	5.4%
Conference Board	August 13, 2020	-4.9%	2.0%
Wells Fargo Securities Economics Group	August 12, 2020	-4.9%	3.8%
Bank of Montreal (BMO) Capital Markets Economics	August 14, 2020	-5.0%	4.0%
National Association of Realtors	July 29, 2020	-5.1%	4.0%
Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters*	August 14, 2020	-5.2%	3.2%
Economist Intelligence Unit (EIU): Global Forecasting Service	July 14, 2020	-5.3%	3.7%
PNC Financial Services Group	July 2020	-5.3%	3.4%
Royal Bank of Canada (RBC) Economics	June 10, 2020	-5.5%	4.8%
National Association for Business Economics (NABE)*	June 1, 2020	-5.6%	#N/A
Moody's Analytics	May 11, 2020	-5.7%	1.5%
Congressional Budget Office (CBO)	July 2, 2020	-5.8%	4.0%
World Bank	June 1, 2020	-6.1%	4.0%
Energy Information Administration (EIA): Short-Term Energy Outlook	August 11, 2020	-6.1%	3.7%
Federal Reserve Bank: Federal Open Market Committee (FOMC)	June 10, 2020	-6.5%	5.0%
Organization for Economic Cooperation and Development (OECD) - Single Hit	June 10, 2020	-7.3%	4.1%
International Monetary Fund (IMF): World Economic Outlook	June 24, 2020	-8.0%	4.5%
Organization for Economic Cooperation and Development (OECD) - Double Hit	June 10, 2020	-8.4%	1.9%
Average		**-5.7%**	**3.7%**

*Average from a survey of professional forecasters.

Table 15 shows national unemployment rate forecasts. An unemployment rate of 9.7 percent is forecast on average for 2020, with individual forecasts ranging from an 8.5 percent to a 12.9 percent unemployment rate. In 2021, the unemployment rate is forecast on average to improve to 7.9 percent.

Table 15: National Unemployment Rate Forecasts

Source	Release Date	2020	2021
TD Economics	June 17, 2020	8.5%	7.0%
Energy Information Administration (EIA): Short-Term Energy Outlook	August 11, 2020	8.6%	6.3%
Royal Bank of Canada (RBC) Economics	June 10, 2020	8.7%	6.0%
Wells Fargo Securities Economics Group	August 12, 2020	8.7%	6.9%
Bank of Montreal (BMO) Capital Markets Economics	August 14, 2020	8.9%	7.0%
National Association for Business Economics (NABE)*	April 10, 2020	9.0%	7.0%
Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters*	August 14, 2020	9.0%	8.0%
Moody's Analytics	May 11, 2020	9.0%	9.0%
PNC Financial Services Group	July 2020	9.2%	7.6%
Federal Reserve Bank: Federal Open Market Committee (FOMC)	June 10, 2020	9.3%	6.5%
ScotiaBank Global Economics	August 4, 2020	9.5%	7.0%
National Association of Realtors	July 29, 2020	9.5%	7.3%
International Monetary Fund (IMF): World Economic Outlook	June 24, 2020	10.4%	9.1%
University of Michigan: Research Seminar in Quantitative Economics (RSQE)	May 18, 2020	10.5%	7.8%
Congressional Budget Office (CBO)	July 2, 2020	10.6%	8.4%
Conference Board	April 9, 2020	11.1%	10.8%
Organization for Economic Cooperation and Development (OECD) - Single Hit	June 10, 2020	11.3%	8.5%
Organization for Economic Cooperation and Development (OECD) - Double Hit	June 10, 2020	12.9%	11.5%
Average		**9.7%**	**7.9%**

*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. CMAP adopted the ON TO 2050 regional plan on October 10, 2018, replacing GO TO 2040 as the comprehensive plan for northeastern Illinois. CDM Smith is currently developing new forecasting tools based on the ON TO 2050 plan, with results available later in 2020.

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.

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) with healthy, but modest growth; 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 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.

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.

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.

Figure 6 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 8.3 million in 2019, 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 5 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 called for 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 2050, to 7.7 million. W&P 2020 forecasts slow

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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.

growth through 2035 (0.2 percent annually, on average) to 8.6 million, and unchanged thereafter through 2050. W&P 2020 downwardly revised from previous years' forecasts due to revisions in underlying fertility and migration assumptions. In contrast to such recently released slow growth or 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.

Figure 6: Six-County NIPC Region Population

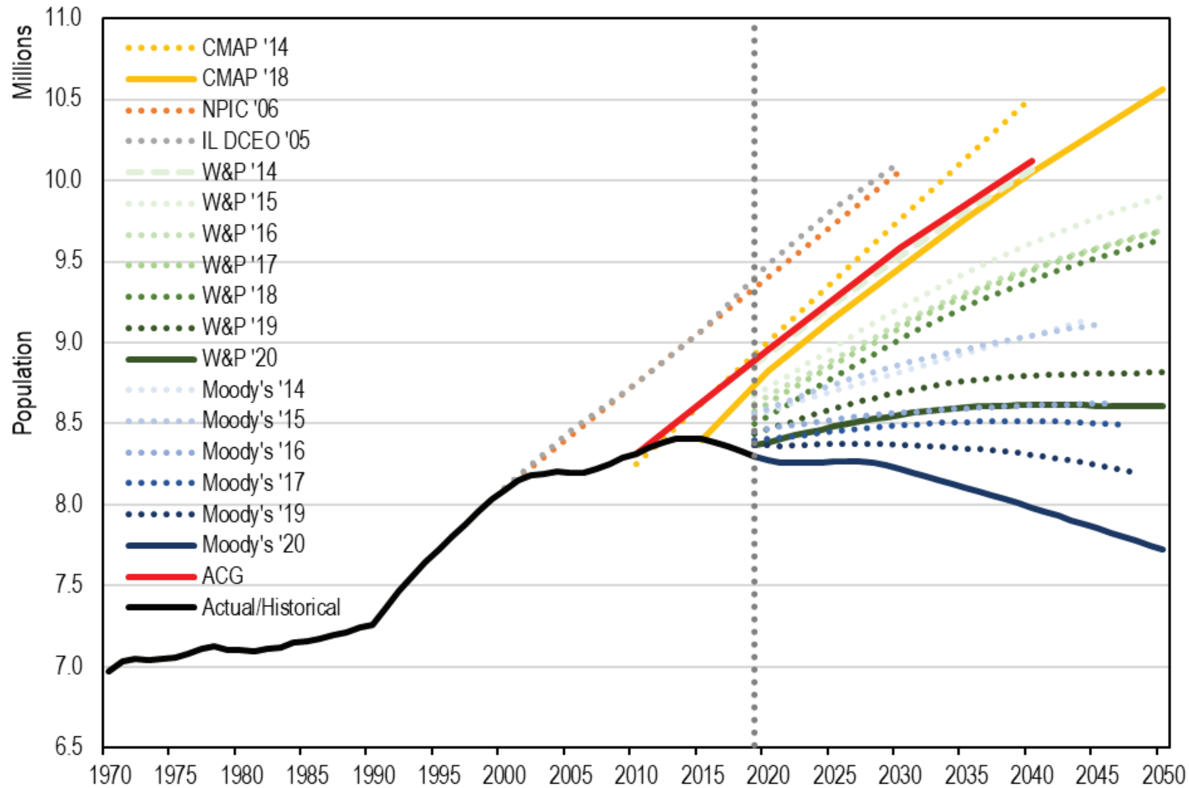
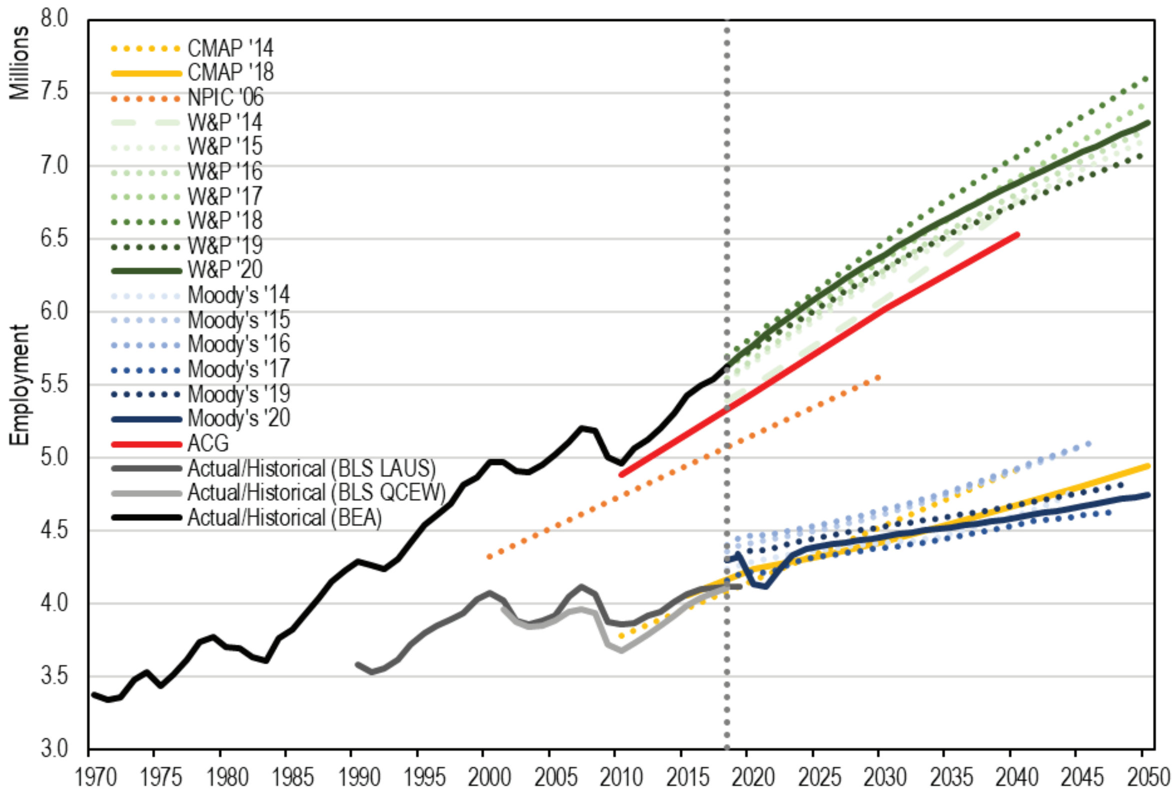


Figure 7 depicts historical employment for the six-county NIPC region, with vintage and recent forecasts from W&P, NIPC/CMAP, and Moody's Analytics, along with the recommended employment forecasts from ACG. Employment definitions vary between datasets, with two overarching conventions: the Bureau of 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 over 5.6 million in 2018, 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 upwardly revised slightly from 2019. Moody's, which anchors employment in 2018 at 4.3 million, declines 4.3 percent in total through 2021, then rebounds through 2024.

Figure 7: 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 2020 to 2045 based on the following assumptions related to construction impacts, facility expansion, and toll collection. The assumptions are presented in four 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 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.

8. No major recession or significant economic restructuring will occur which would substantially reduce traffic in the region, other than the potential economic impacts described in this report related to the COVID-19 pandemic.

9. The COVID-19 pandemic's impact on traffic and revenue performance is assumed to be largely resolved by the end of 2020 with lingering economic impacts into 2021.

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 seven 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 and I-490 Project section and Central Tri-State Master Plan section.

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 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 Transportation and Highways and the DuPage County Division of Transportation, as well as those for municipalities surrounding the IL 390 and I-490 projects. None of the planned county or municipal projects is expected to have a measurable effect on Illinois Tollway traffic demand or revenue.

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 more than 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.

Table 18: Planned Illinois Tollway Expansion and Construction Projects*

Route	Type of Improvement	Project Details	Limits: From	Limits: To	2020	2021	2022	2023	2024	2025	2026	2027
I-94	Reconstruction	Reconstruct existing 5.4-Mile Edens Spur	-	-	△	●						
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	Rehabiliation	Rehab and widen 1.5 miles pavement	Wolf Road	O'Hare Oasis	△	△	△	●				
I-294	Reconstruction	Reconstruct and widen Mile-Long Bridge	La Grange Rd	75th Street	△	△	△	●				
I-294	Reconstruction	Reconstruct and widen existing 2 miles pavement	75th Street	I-55 Bridge (MP 24.0)	△	△	△	●				
I-294	Reconstruction	Reconstruct and widen existing 3.5 miles pavement	95th St	La Grange Rd	△	△	△	●				
I-294	Reconstruction	Reconstruct and widen mainline and bridge over I-55	MP 22.9	MP 24.0		△	△	●				
I-294	Reconstruction	Reconstruct and widen 2.5 miles pavement	Grand Avenue	Wolf Road		△	△	△	●			
I-294	Reconstruction	Reconstruct and widen 1.5 miles pavement	St. Charles Rd	Grand Avenue		△	△	△	●			
I-294	Interchange construction	SB exit ramp to County Line Rd/US-20/IL-64	-	-					●			
I-294	Reconstruction	Reconstruct and widen existing 4.3 miles pavement	I-55	Ogden Ave	△	△	△	△	△	△	●	
I-294	Reconstruction	Reconstruct and widen existing 2 miles pavement	Ogden Ave	Cermak Mainline			△	△	△	△	●	
I-294	Interchange construction	NB entrance ramp from Archer Avenue									●	
I-294	Reconstruction	Reconstruct and widen existing 3 miles pavement	Cermak Mainline	St. Charles Rd		△	△	△	△	△	△	●

△ Construction with Significant Impacts Assumed   ● Opening Year

*Preliminary and subject to change.

Table 18: Planned Illinois Tollway Expansion and Construction Projects (continued)*

Route	Type of Improvement	Project Details	Limits		2020	2021	2022	2023	2024	2025	2026	2027
			From	To								
I-90	Rehabilitation	Rehabilitate existing 12 miles pavement	I-39	Rockton Road	△	●						
I-90	Interchange construction	Full interchange at I-90 and I-490	-	-	△	△	△					
I-88	Rehabilitation	Rehabilitate existing 5.5 miles pavement	Aurora Plaza	IL-59	△	△	●					
I-88	Bridge Rehabilitation	Deerpath Road Bridge	-	-		△	●					
I-88	Bridge Rehabilitation	Windsor Bridge over East-West Connector Ramps	-	-		△	●					
IL 390	New Tollway Construction	Western Access Ramps between IL 390 and O'Hare Airport	-	-					●			
I-490	New Tollway Construction	I-490 North Extension	IL 390	I-90					●			
I-490	New Tollway Construction	I-490 between Franklin Avenue and I-294	Franklin Ave	I-294					●			
IL 390/ I-490	New Tollway Construction	IL 390/I-490 Extension to IL 19	IL 83	IL 19							●	
I-490	New Tollway Construction	I-490 South Extension	IL 19	Franklin Ave							●	
				△	Construction with Significant Impacts Assumed			●	Opening Year			

*Preliminary and subject to change.

Table 19: Significant Non-Illinois Tollway Capacity Improvement Projects

State	Opening Year	Route	Project
Illinois	2023	I-90/I-94/I-290	Jane Byrne interchange reconstruction.
	2025	IL 56	Add lanes between IL 53 and I-355.
	2030	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.
	2020	I-94	Add one lane both directions from Kenosha-Racine County Line to Milwaukee.

IL 390 and I-490 Projects

The IL 390 Tollway is nearly completed. The final portion of the IL 390 Tollway and the connecting I-490 Tollway is assumed to be constructed in phases with completion of the final phase in 2026, as shown in **Table 18**. The construction schedule is also presented in **Figure 8**, 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 8**:

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.

The IL 390 Tollway is a cashless toll route 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. The I-490 Tollway will also be a cashless route.

PC I-PASS discount rates on IL 390 and the assumed future I-490 rates are 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 percent increases in the future.

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, 2.25, and 2.07 percent in 2018, 2019, and 2020, respectively. Rates are scheduled to increase by 1.56 percent in 2021. For the purposes of this study, CDM Smith assumes CV toll rates will increase 2.0 percent per year between 2022 and 2045 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.

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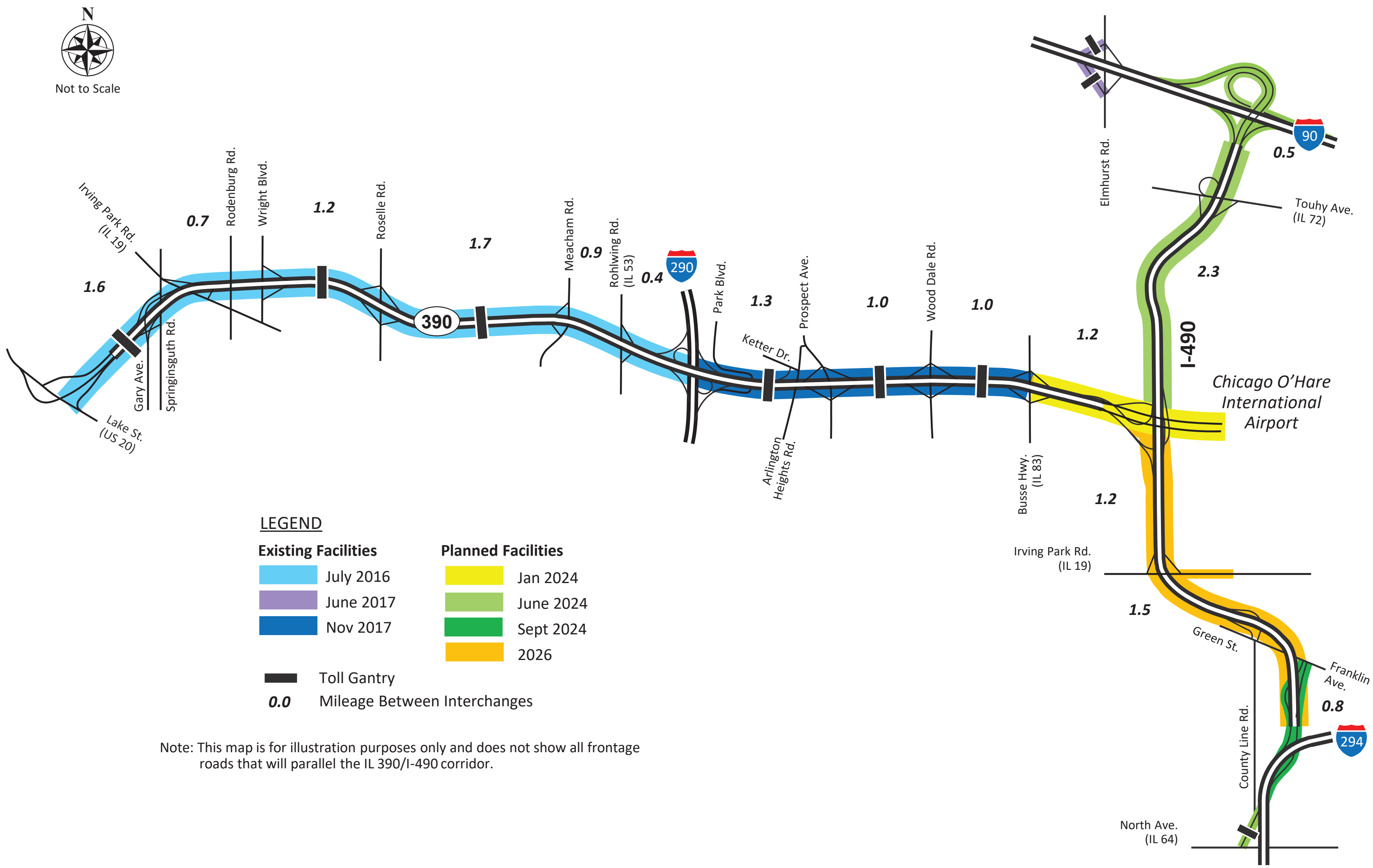
[5] Consumer Price Index for all Urban Consumers (CPI-U), or its successor index, over the 12-month period ending on June 30th of the previous year. Source: Illinois Tollway Board Resolution No. 18516, dated November 20, 2008.



CDM Smith

IL 390 AND I-490 ACCESS ACTUAL AND ASSUMED OPENING YEARS

FIGURE 8

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 20**. Between 2020 and 2023, the proportion of PC transactions expected to be paid at the I-PASS rate is anticipated to remain flat at the 2019 rate of 89.5 percent. In 2024, the I-PASS usage is expected to increase slightly to 89.6 percent with the opening of the I-490 north extension. In 2026, the I-PASS rate is expected to increase to 89.8 percent following the completion of the I-490 Tollway. It is then expected to remain at that rate through 2045.

Table 20: Passenger Car (PC) I-PASS Rate Assumptions

Year	Systemwide I-PASS Participation
2020-2023	89.5%
2024-2025	89.6%
2026-2045	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 Forecast

CDM Smith updated the annual T&R forecasts for the existing Illinois Tollway system for the years 2020 to 2045. 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 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. For this reason, factors related to the suspension of cash collections do not impact the CDM Smith forecast. For net revenue projections please refer to Table 7 of this Official Statement, presented under the Pro Forma Debt Service Coverage section.

Tables 21 through 26 show projected annual toll transactions and revenue for the entire system and for each Illinois Tollway route between 2020 and 2045. 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.

Table 21: 2020-2045 Total Illinois Tollway System 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
2020	706,260	118,469	824,729	607,811	696,547	1,304,358
2021(2)	863,500	123,664	987,164	741,065	728,366	1,469,431
2022(3)	901,639	122,699	1,024,338	771,761	744,041	1,515,802
2023(4)	921,696	125,373	1,047,068	787,442	776,712	1,564,155
2024(5)	952,415	128,807	1,081,222	809,519	809,269	1,618,787
2025	976,144	132,103	1,108,247	826,072	840,852	1,666,923
2026(6)	1,021,057	139,951	1,161,008	849,995	886,100	1,736,094
2027(7)	1,054,240	144,696	1,198,936	874,934	930,187	1,805,121
2028	1,066,763	146,778	1,213,541	885,547	961,981	1,847,528
2029	1,073,599	148,188	1,221,787	891,467	990,639	1,882,106
2030	1,078,238	149,194	1,227,433	895,180	1,017,504	1,912,683
2031	1,082,881	150,276	1,233,157	898,889	1,044,725	1,943,614
2032	1,090,473	151,779	1,242,253	905,041	1,077,900	1,982,941
2033	1,092,191	152,474	1,244,665	906,336	1,103,436	2,009,772
2034	1,096,891	153,592	1,250,483	910,097	1,135,095	2,045,192
2035	1,101,577	154,711	1,256,288	913,852	1,165,292	2,079,144
2036	1,109,316	156,047	1,265,363	920,120	1,198,859	2,118,979
2037	1,111,022	156,539	1,267,561	921,413	1,227,171	2,148,584
2038	1,115,802	157,467	1,273,269	925,236	1,258,013	2,183,250
2039	1,120,593	158,362	1,278,956	929,069	1,289,897	2,218,966
2040	1,128,497	159,637	1,288,134	935,468	1,326,149	2,261,617
2041	1,130,209	160,041	1,290,250	936,771	1,356,119	2,292,889
2042	1,135,030	160,888	1,295,918	940,541	1,390,952	2,331,493
2043	1,139,877	161,742	1,301,619	944,519	1,427,153	2,371,672
2044	1,147,887	163,047	1,310,934	951,006	1,467,280	2,418,286
2045	1,149,651	163,469	1,313,120	951,627	1,499,147	2,450,775

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 2.07 percent in 2020 and will increase by 1.56 percent in 2021. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2021.

(2) In 2021, reconstruction of the Edens Spur is assumed to be completed.

(3) In 2022, rehabilitation on I-88 west of IL 59 is assumed to be completed.

(4) In 2023, the final phase of the I-294/I-57 interchange project is assumed to be open and tolling. Also, the reconstruction and widening of I-294 between 95th Street and I-55, including the Mile-Long Bridge, is assumed to be completed.

(5) 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.

(6) In 2026, the new I-490 Tollway is assumed to be completed. Also, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Ave.

(7) 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: 2020-2045 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
2020	161,553	24,560	186,113	128,214	156,995	285,209
2021	181,763	25,055	206,819	144,259	160,317	304,576
2022	190,603	24,406	215,008	150,954	160,649	311,603
2023	194,768	24,800	219,568	154,068	166,546	320,614
2024[2]	199,825	25,159	224,984	157,518	171,532	329,050
2025	203,997	25,401	229,398	160,430	176,183	336,613
2026[3]	208,486	26,349	234,835	163,423	184,191	347,614
2027[4]	210,722	26,613	237,335	165,154	189,785	354,940
2028	213,669	26,966	240,635	167,442	195,811	363,254
2029	215,480	27,176	242,656	168,847	201,119	369,965
2030	216,752	27,429	244,181	169,752	206,974	376,726
2031	218,103	27,706	245,809	170,728	213,179	383,907
2032	220,047	28,062	248,109	172,168	220,265	392,433
2033	220,808	28,268	249,077	172,686	225,945	398,631
2034	222,168	28,555	250,723	173,672	232,844	406,516
2035	223,519	28,830	252,349	174,652	239,653	414,304
2036	225,497	29,151	254,647	176,116	246,851	422,968
2037	226,253	29,316	255,569	176,633	253,181	429,814
2038	227,641	29,563	257,204	177,636	260,295	437,931
2039	229,036	29,792	258,828	178,645	267,340	445,984
2040	231,072	30,120	261,192	180,149	275,528	455,677
2041	231,847	30,284	262,131	180,675	282,383	463,057
2042	233,263	30,533	263,796	181,602	290,284	471,886
2043	234,689	30,785	265,474	182,723	298,318	481,042
2044	236,772	31,125	267,897	184,257	307,393	491,651
2045	237,573	31,297	268,870	184,591	315,186	499,777

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 2.07 percent in 2020 and will increase by 1.56 percent in 2021. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2021.

(2) 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.

(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 23: 2020-2045 Tri-State Tollway (I-94/I-294) 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
2020	265,268	59,666	324,934	236,668	347,947	584,615
2021[(2)]	333,400	62,189	395,589	297,919	363,852	661,771
2022	345,958	61,879	407,837	308,462	372,449	680,911
2023[(3)]	356,777	63,639	420,416	317,133	392,543	709,676
2024[(4)]	368,518	65,275	433,792	327,241	410,655	737,896
2025	374,243	66,386	440,629	332,437	426,508	758,945
2026[(5)]	377,608	68,572	446,181	333,941	447,303	781,244
2027[(6)]	398,980	71,854	470,834	351,297	477,395	828,691
2028	402,956	72,763	475,718	354,870	492,910	847,780
2029	404,794	73,364	478,158	356,569	506,736	863,305
2030	406,213	73,798	480,011	357,816	520,081	877,897
2031	407,549	74,220	481,770	358,998	532,959	891,957
2032	409,967	74,844	484,811	361,131	549,311	910,442
2033	410,205	75,073	485,279	361,349	561,562	922,911
2034	411,556	75,507	487,063	362,543	576,817	939,360
2035	412,882	75,961	488,843	363,719	591,592	955,310
2036	415,350	76,531	491,881	365,894	608,182	974,076
2037	415,552	76,684	492,237	366,085	622,236	988,321
2038	416,905	77,051	493,956	367,282	637,123	1,004,405
2039	418,251	77,418	495,669	368,476	653,002	1,021,478
2040	420,750	77,954	498,704	370,679	670,725	1,041,404
2041	420,955	78,065	499,020	370,872	685,358	1,056,230
2042	422,313	78,391	500,704	372,077	702,522	1,074,599
2043	423,677	78,718	502,395	373,285	720,526	1,093,811
2044	426,209	79,264	505,473	375,519	739,916	1,115,435
2045	426,418	79,378	505,796	375,431	755,654	1,131,085

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 2.07 percent in 2020 and will increase by 1.56 percent in 2021. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2021.

(2) In 2021, reconstruction of the Edens Spur is assumed to be completed.

(3) In 2023, the final phase of the I-294/I-57 interchange project is assumed to be open and tolling. Also, the reconstruction and widening of I-294 between 95th Street and I-55, including the Mile-Long Bridge, is assumed to be completed.

(4) 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.

(5) In 2026, the new I-490 Tollway is assumed to be completed. Also, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Ave.

(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 24: 2020-2045 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
2020	101,742	12,820	114,562	89,382	94,221	183,602
2021	131,765	13,375	145,140	114,103	98,623	212,727
2022(2)	137,634	13,824	151,458	118,761	104,489	223,250
2023	138,252	14,105	152,357	119,194	108,739	227,933
2024	139,886	14,483	154,369	120,496	113,759	234,256
2025	140,769	14,791	155,560	121,359	118,412	239,771
2026(3)	144,287	15,383	159,669	124,446	125,075	249,521
2027(4)	145,415	15,691	161,106	125,481	130,305	255,786
2028	146,975	16,067	163,042	126,875	135,935	262,810
2029	147,744	16,386	164,130	127,593	141,284	268,877
2030	148,190	16,525	164,716	127,957	145,276	273,232
2031	148,640	16,667	165,307	128,323	149,386	277,709
2032	149,500	16,856	166,357	129,040	154,367	283,407
2033	149,547	16,955	166,501	129,060	158,327	287,387
2034	150,004	17,101	167,105	129,432	163,191	292,623
2035	150,464	17,240	167,703	129,805	167,524	297,329
2036	151,340	17,395	168,735	130,535	172,394	302,930
2037	151,392	17,456	168,848	130,560	176,418	306,978
2038	151,861	17,566	169,426	130,940	180,789	311,728
2039	152,332	17,666	169,997	131,322	185,290	316,612
2040	153,222	17,821	171,043	132,062	190,452	322,514
2041	153,235	17,877	171,113	132,063	194,806	326,869
2042	153,669	17,983	171,653	132,424	199,748	332,172
2043	154,105	18,090	172,196	132,787	204,967	337,754
2044	154,967	18,248	173,215	133,513	210,868	344,380
2045	154,983	18,308	173,291	133,452	215,497	348,948

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 2.07 percent in 2020 and will increase by 1.56 percent in 2021. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2021.

(2) In 2022, rehabilitation on I-88 west of IL 59 is assumed to be completed.

(3) In 2026, the new I-490 Tollway is assumed to be completed. Also, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Ave.

(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 25: 2020-2045 Veterans Memorial Tollway (I-355) 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
2020	120,833	14,219	135,052	130,668	87,070	217,738
2021	148,738	15,332	164,070	157,933	94,865	252,798
2022	156,212	15,024	171,236	165,722	95,914	261,635
2023(2)	159,214	15,110	174,324	168,681	97,919	266,600
2024(3)	161,840	15,143	176,982	171,496	100,303	271,798
2025	164,443	15,304	179,747	174,083	103,427	277,510
2026(4)	164,699	14,769	179,469	174,327	101,925	276,252
2027(5)	165,543	14,391	179,934	175,135	101,164	276,299
2028	167,910	14,616	182,526	177,750	104,849	282,599
2029	169,376	14,763	184,139	179,419	108,144	287,562
2030	170,150	14,866	185,016	180,283	111,042	291,325
2031	170,933	14,972	185,905	181,157	113,956	295,113
2032	172,197	15,122	187,319	182,539	117,613	300,153
2033	172,516	15,190	187,706	182,925	120,354	303,278
2034	173,312	15,301	188,613	183,816	123,822	307,638
2035	174,120	15,410	189,531	184,721	127,035	311,756
2036	175,405	15,521	190,926	186,130	130,558	316,688
2037	175,738	15,548	191,285	186,534	133,424	319,958
2038	176,553	15,617	192,170	187,449	136,588	324,037
2039	177,373	15,687	193,060	188,369	139,974	328,343
2040	178,691	15,794	194,485	189,818	143,710	333,528
2041	179,037	15,815	194,852	190,238	146,838	337,076
2042	179,875	15,880	195,755	191,181	150,413	341,594
2043	180,718	15,944	196,662	192,128	154,090	346,218
2044	182,062	16,053	198,115	193,608	158,343	351,951
2045	182,415	16,074	198,490	193,913	161,600	355,513

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 2.07 percent in 2020 and will increase by 1.56 percent in 2021. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2021.

(2) In 2023, the reconstruction and widening of I-294 between 95th Street and I-55, including the Mile-Long Bridge, is assumed to be completed.

(3) 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.

(4) In 2026, the new I-490 Tollway is assumed to be completed. Also, reconstruction and widening work on the Central Tri-State between I-55 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 26: 2020-2045 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
2020	56,863	7,205	64,068	22,879	10,314	33,193
2021	67,834	7,713	75,547	26,851	10,709	37,560
2022	71,232	7,567	78,799	27,863	10,539	38,402
2023	72,684	7,718	80,402	28,366	10,965	39,331
2024(2)	82,346	8,748	91,094	32,768	13,019	45,787
2025	92,692	10,221	102,913	37,763	16,322	54,085
2026(3)	125,976	14,878	140,854	53,858	27,605	81,463
2027(4)	133,580	16,147	149,727	57,867	31,537	89,404
2028	135,253	16,367	151,620	58,609	32,476	91,085
2029	136,204	16,500	152,704	59,040	33,356	92,396
2030	136,933	16,576	153,508	59,371	34,131	93,503
2031	137,655	16,712	154,367	59,684	35,245	94,929
2032	138,762	16,895	155,657	60,162	36,344	96,506
2033	139,114	16,988	156,102	60,315	37,249	97,564
2034	139,850	17,128	156,979	60,634	38,421	99,054
2035	140,591	17,270	157,862	60,955	39,489	100,444
2036	141,724	17,450	159,174	61,445	40,873	102,317
2037	142,087	17,535	159,623	61,602	41,910	103,512
2038	142,842	17,670	160,512	61,929	43,218	105,147
2039	143,602	17,799	161,401	62,258	44,290	106,548
2040	144,762	17,948	162,710	62,760	45,734	108,494
2041	145,135	18,000	163,135	62,922	46,734	109,657
2042	145,910	18,101	164,011	63,258	47,984	111,242
2043	146,689	18,204	164,892	63,595	49,252	112,847
2044	147,877	18,357	166,234	64,109	50,760	114,869
2045	148,261	18,411	166,673	64,241	51,210	115,452

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 2.07 percent in 2020 and will increase by 1.56 percent in 2021. CDM Smith has assumed that CV rates will increase by 2.0 percent per annum for all years beyond 2021.

2) 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.

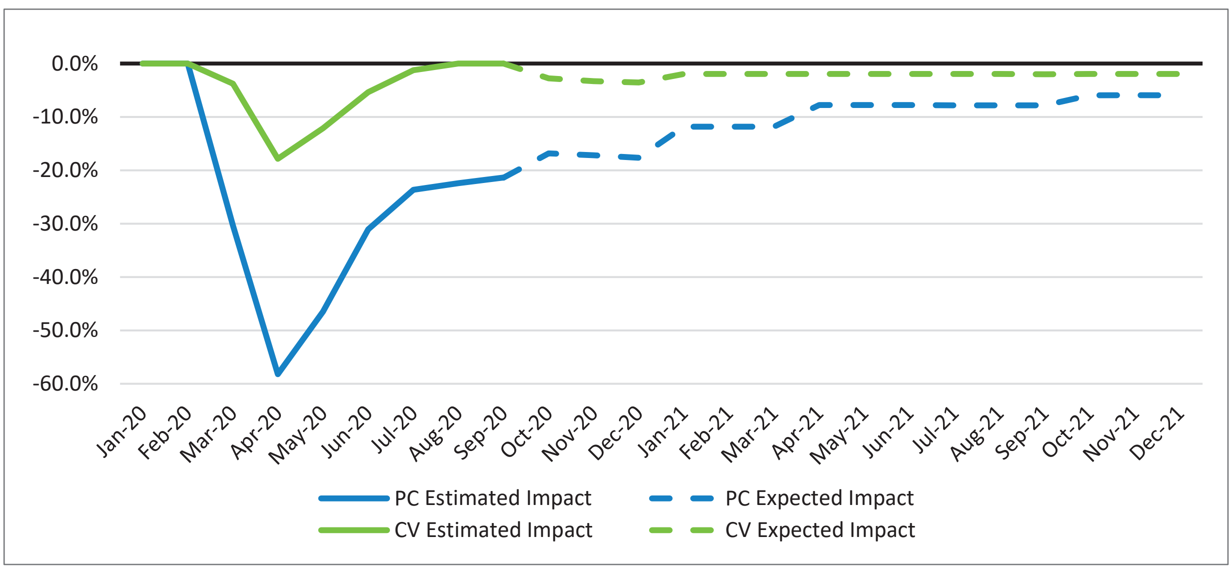
(3) In 2026, the new I-490 Tollway is assumed to be completed.

(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.

As noted under Recent Performance Trends (page 17), starting in mid-March, travel behaviors changed significantly as states and localities began implementing social distancing measures in response to the COVID-19 pandemic. Although recent months have seen positive trends, transaction and revenue performance remains well below expected and historical trends. In addition, significant uncertainty remains to both short-term and long-term travel impacts related to the COVID-19 pandemic. CDM Smith used the best available information at the time of developing these forecasts. These assumptions may be subject to change depending on the escalation or recovery from COVID-19, which could materially affect the resulting traffic and revenue estimates.

Figure 9 illustrates the estimated impact of the COVID-19 pandemic on transactions between January and September 2020 and the expected impact, included in the forecast, for October 2020 through December 2021. After 2021, the forecast maintains the same year-over-year growth rates as CDM Smith's previous long-term forecasts for the Illinois Tollway.

Figure 9: Estimated and Expected Impact of the COVID-19 Pandemic on PC and CV Transactions, January 2020-December 2021



For PC transactions, the impact is estimated at 21.4 percent in September 2020, which is lower than the estimated impact observed in July and August 2020. The impact is then expected to average 17.0 percent in the last quarter of 2020, 11.8 percent in the first quarter of 2021, and 7.8 percent in the second and third quarters of 2021, and decline to 5.9 percent in the last quarter of 2021.

In recent months, CV transaction volumes appear to have recovered from the initial pandemic related dips with volumes that were slightly below or similar to previously forecast volumes in July and August. CV transactions continue to have strong performance for September, when transactions were 2.0 percent above the previous, pre-COVID-19 forecast. Despite strong recent performance, significant economic uncertainty remains a concern for future traffic demand. Between October and December 2020, CV transactions are forecasted to decrease as a result of the continued stress on economic conditions. In the last quarter of 2020, CV transactions are forecasted at 2.9 percent below the pre-COVID-19 forecast volumes on average. In 2021, the impact on CV transactions is expected to lower slightly to an average of 2.0 percent below the pre-COVID-19 pandemic forecast.

For 2020, these anticipated impacts result in a year-over-year decrease of 19.4 percent for systemwide transactions, from approximately 1.0 billion in 2019 to 0.8 billion in 2020. Expected toll revenue is estimated to decrease from $1.5 billion in 2019 to $1.3 billion in 2020, an annual decrease of 10.9 percent. The revenue impact is less severe due to the greater resilience observed in CV transactions.

In 2021, systemwide transactions are expected to increase to 1.0 billion, representing a 19.7 percent increase over 2020 transactions. Expected toll revenue is estimated to increase approximately to the 2019 level of $1.5 billion, a 12.7 percent increase over expected 2020 revenue. As noted above, this assumes continued COVID-19 recovery.

Between 2021 and 2045, systemwide transactions are expected to increase from 1.0 billion to 1.3 billion. This represents a growth of 33.0 percent over the 24-year period, or an average annual growth rate of 1.2 percent. Expected toll revenue is estimated to increase from $1.5 billion in 2021 to $2.5 billion in 2045, which represents an average annual growth rate of 2.2 percent.

Figure 10 illustrates forecasted transactions and revenue from 2020 to 2045. Between 2021 and 2024, average annual revenue growth is estimated at 3.3 percent. Growth in these years is boosted by the opening of the northern portion of I-490 between IL 390 at IL 83 and I-90 in 2024, as well as the completion of several portions of the I-294 reconstruction and widening project. Between 2024 and 2027, revenue is expected to grow at an average annual rate of 3.7 percent as two major projects are completed and open to traffic: the I-490 Tollway and the Central Tri-State widening project.

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 2025. 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 2021.

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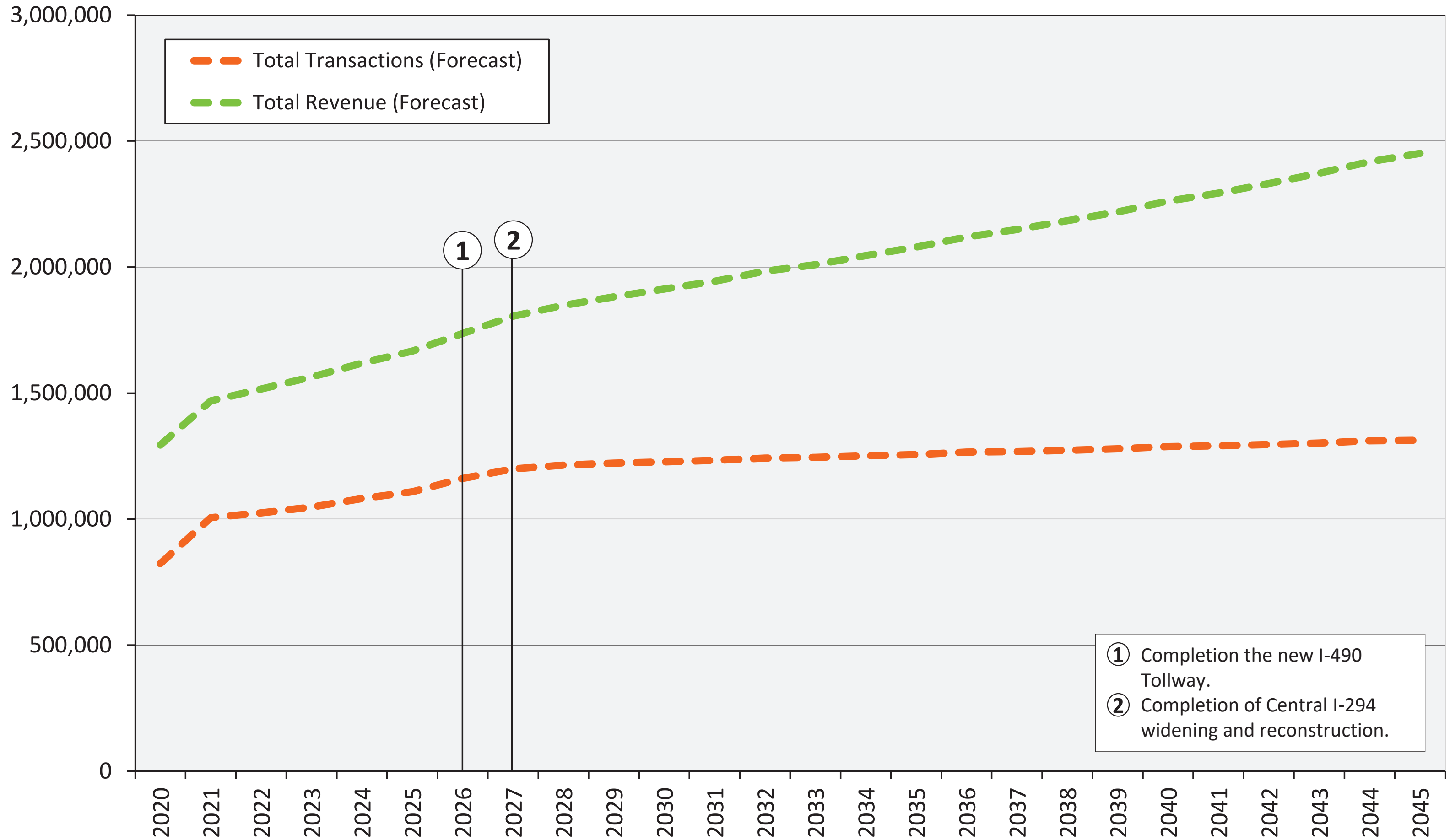


PROJECTED ANNUAL TOTAL TRANSACTION AND REVENUE, 2020-2045
(In Thousands, Revenue Shown in Nominal Dollars)

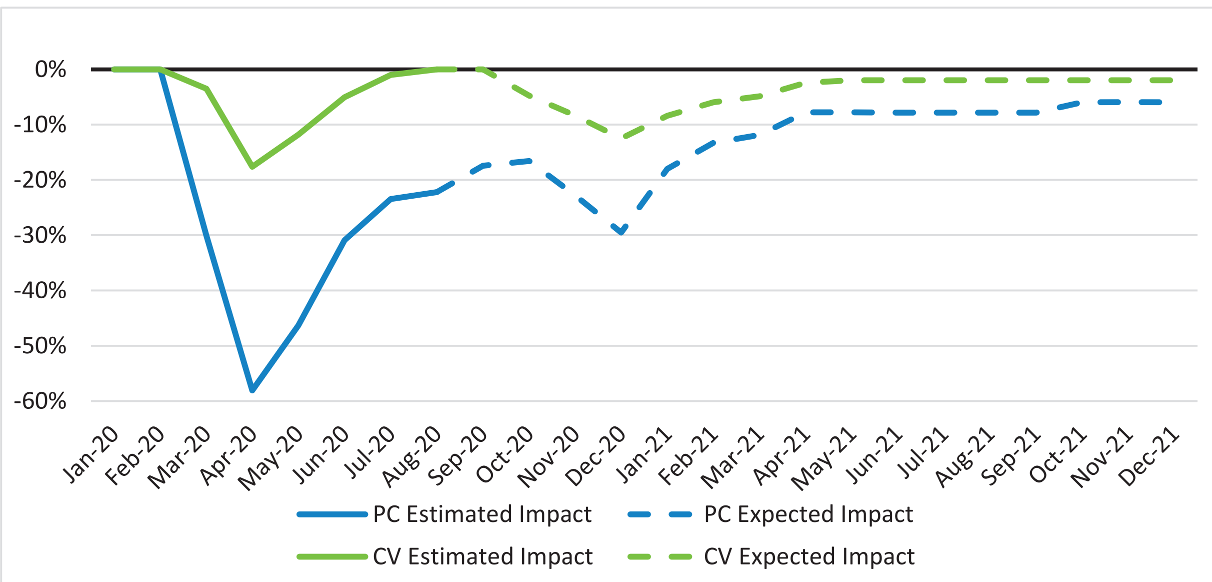
CDM Smith

FIGURE 10

COVID-19 Sensitivity Test

The COVID-19 pandemic presents a high level of uncertainty to the short-term transaction and revenue forecast for the Illinois Tollway. To acknowledge this uncertainty, CDM Smith conducted a sensitivity test addressing a possible re-emergence of the COVID-19 virus. This sensitivity test assumes a resurgence of COVID-19 cases in Illinois in late Fall 2020, pushing the state back to earlier phases of the Governor's *Restore Illinois* Plan. This second surge is expected to decline by March 2021 with continued recovery through the end of 2021. Under this scenario, CDM Smith estimates that the reintroduction of social distancing measures would result in a $20 million decrease to forecasted 2020 revenues and $15 million decrease to forecasted 2021 revenues, for a total impact of approximately $35.0 million.

Figure 11: Estimated and Expected Impact of the COVID-19 Pandemic with Resurgence, January 2020-December 2021



Commercial Vehicle Toll Rate Sensitivity Test

The economic impacts resulting from the social and policy responses to the COVID-19 pandemic present an additional level of uncertainty to the revenue forecast. Commercial vehicle toll rates on the Illinois Tollway are indexed to the Consumer Price Index for All Urban Consumers (CPI-U). CDM Smith assumes a 2.0 percent annual inflation rate for all future years, 2022-2045, which is consistent with historical trends. However, as shown in **Table 27**, near-term forecasts for inflation are substantially lower than 2.0 percent, averaging 0.7 percent for 2020 and 1.5 percent for 2021.

Table 27: National Inflation Rate Forecasts

Source	Release Date	2020	2021
Organization for Economic Cooperation and Development (OECD) - Single Hit	June 10, 2020	1.2%	1.5%
Organization for Economic Cooperation and Development (OECD) - Double Hit	June 10, 2020	1.2%	1.1%
Bank of Montreal (BMO) Capital Markets Economics	August 14, 2020	1.1%	1.8%
Wells Fargo Securities Economics Group	August 12, 2020	1.0%	1.3%
TD Economics	June 17, 2020	0.9%	1.5%
ScotiaBank Global Economics	August 4, 2020	0.9%	1.8%
PNC Financial Services Group	July 2020	0.9%	1.0%
Federal Reserve Bank: Federal Open Market Committee (FOMC)	June 10, 2020	0.8%	1.6%
Economist Intelligence Unit (EIU): Global Forecasting Service	July 14, 2020	0.6%	1.5%
Royal Bank of Canada (RBC) Economics	June 10, 2020	0.6%	1.6%
International Monetary Fund (IMF): World Economic Outlook	June 24, 2020	0.5%	1.5%
University of Michigan: Research Seminar in Quantitative Economics (RSQE)	May 18, 2020	0.4%	1.6%
Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters*	August 14, 2020	0.4%	1.8%
Congressional Budget Office (CBO)	July 2, 2020	0.4%	1.6%
National Association of Realtors	July 29, 2020	-0.2%	1.3%
Average		**0.7%**	**1.5%**

*Average from a Survey of Professional Forecasters.
Note that the FOMC and OECD forecasts are for Personal Consumption Expenditures, rather than CPI

CDM Smith performed a sensitivity analysis assuming a commercial vehicle toll rate adjustment of 1.5 percent in 2022, rather than 2.0 percent. Commercial vehicle toll rate adjustments are based on the inflation rate experienced in the prior June-to-July period, so inflation experienced between June 2020 and July 2021 would be incorporated into the toll rate adjustment in effect January 2022. This change in inflation assumptions would decrease 2022 revenue by $4.1 million, or 0.3 percent, with that 0.3 percent reduction carrying forward, on average, across all future years of the forecast.

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. Certain variables such as future developments, economic cycles, global pandemics and impacts related to advances in automotive technology etc. 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.

Definitions

"*Act*" means the Toll Highway Act, 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 2020A 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 2006A 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, the Thirtieth Supplemental Indenture and the Amendatory Supplemental Indenture.

"*Interest Payment Date*" means, with respect to the 2020A 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, Inc., 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 2007 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 2020A 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 2020A Bonds consists of the 2009A Bond 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 or as may be provided in the Supplemental Indenture for any Series of Bonds.

"*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 2020A Bonds consists of the 2014D Bonds the 2016A Bonds, 2018A Bonds, 2019B Bonds and the 2019C 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, 2016B Bonds, 2017A Bonds and 2019A 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.

"*Thirtieth Supplemental Indenture*" means the Thirtieth Supplemental Indenture Securing the 2020 Series A Bonds, dated as of December 1, 2020, 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-Ninth Supplemental Indenture*" means the Twenty-Ninth Supplemental Indenture securing the 2019C Bonds dated as of December 1, 2019 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.

"*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.

"*2013A Bonds*" means the Toll Highway Senior Revenue Bonds, 2013 Series A, authorized by the Fifteenth 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.

"*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.

"*2019C Bonds*" means the Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding), authorized by the Twenty-Ninth Supplemental Indenture.

"*2020A Bonds*" means the Toll Highway Senior Revenue Bonds, 2020 Series A, authorized by the Thirtieth Supplemental Indenture.

"*Underwriters*" means the group of underwriters represented by Siebert Williams Shank & Co., LLC,, and RBC Capital Markets, LLC, in connection with the purchase of the 2020A 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 junior 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 by the Trustee 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).

<u>Third</u>, 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.

<u>Fourth</u>, 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.

<u>Fifth</u>, 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.

<u>Sixth</u>, 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.

<u>Seventh</u>, 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.

<u>Eighth</u>, 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 2020A 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-fifth 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-fifth 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-fifth 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 2020A 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 Account 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.

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 2020A BONDS – Certain Amendments to the Indenture – *Reserve Account Credit Facility Amendment***," 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 which shall be 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. Any Reserve Account Credit Facility shall be payable to the Trustee for the equal and ratable benefit of all of the Holders of the Senior Bonds (upon the giving of notice as required under the Reserve Account Credit Facility) on any interest payment date on which moneys will be required to be withdrawn from the Debt Reserve Account and applied to the payment of the Principal Installments of or interest on any such Bonds which withdrawal cannot be met by any amounts on deposit to the credit of the Debt Reserve Account. 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 not lower than the second highest rating category by any nationally-recognized rating agency, 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 any nationally-recognized rating agency. 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 treated not lower than the second highest rating category by any nationally-recognized rating agency, and the letter of credit or other credit facility itself shall be rated in the highest rating 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 2020A 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 2020A 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 2020A 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 Senior 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. The Trustee may be removed at any time by the Holders of a majority in principal amount of the Senior Bonds then Outstanding excluding any Bonds held by or for the account of the Authority.

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.

TOLL RATE COVENANTS

1. The Authority shall at all times charge and collect tolls for the use of the Tollway System at rates not less than those set forth in any schedule of tolls then in effect.

2. The Authority shall at all times fix, charge and collect such tolls for the use of the Tollway System as shall be required in order that in each Fiscal Year Net Revenues shall at least equal the Net Revenue Requirement for such Fiscal Year.

3. On or before October 31 of each Fiscal Year the Authority shall cause the Traffic Engineers to make a written estimate of the revenues from tolls for the last four months of such Fiscal Year and for the ensuing Fiscal Year and shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues for such Fiscal Year were, and for the next succeeding Fiscal Year will be, sufficient to comply with paragraph 2 above and shall, by resolution, make a determination with respect to that sufficiency. Such review shall take into consideration the anticipated completion date of any uncompleted Projects and the issuance of future Series of Bonds if necessary to finance the completion of such Projects. If the Authority determines that the Net Revenues may not be sufficient to meet the Net Revenue Requirement in either the current or ensuing Fiscal Year, it shall (a) forthwith cause the Traffic Engineers to provide a recommended schedule of tolls for the Tollway System which, in the opinion of the Traffic Engineers, will cause sufficient Revenues to be collected to comply with paragraph 2 in such ensuing Fiscal Year and to eliminate the amount of such estimated deficiency from such current Fiscal Year not later than twelve months after the effective date of such recommended schedule of tolls, and (b) as promptly as practicable but no later than April 30 of such following Fiscal Year, adopt and place in effect the schedule of tolls recommended by the Traffic Engineers.

4. Except as provided in paragraphs 6 and 7 below, the Authority shall not effect any reduction in any toll rate fixed for the use of the Tollway System, except after thirty days' notice to the Trustee and then only if, accompanying the notice, there shall be filed with the Trustee:

> (1) A Certificate of the Traffic Engineers 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 any part of the Tollway System and the estimated date of completion of such highway or other facility, and setting forth estimates of Revenues, giving effect to the completion of any uncompleted Project at the time estimated by the Consulting Engineers, 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 on the assumption that any such competing highway or other facility will be completed on such estimated date and will thereafter be in operation during the period covered by such estimates;
>
> (2) 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 (1), estimates of Operating

Expenses and the Renewal and Replacement Deposit, giving effect to the completion of any uncompleted Project at the time estimated by the Consulting Engineers; and

(3) A Certificate of any Authorized Officer setting forth (i) the Aggregate Debt Service (excluding bond interest, the payment of which shat have been provided by payments or deposits out of Bond proceeds) for the next preceding eighteen months and the Junior Bond Revenue Requirement, during that period, (ii) Renewal and Replacement Deposits for the then current Fiscal Year, and estimated Renewal and Replacement Deposits for each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, (iii) the Aggregate Debt Service for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Senior Bonds, whichever is first to occur and the Junior Bond Revenue Requirement, during that period, and (iv) the Net Revenues for the next preceding eighteen months; and stating (a) that Net Revenues have equaled at least 1.5 times the Aggregate Debt Service for any twelve consecutive months of the preceding eighteen months, (b) that the estimated Net Revenues (based on the certificates filed pursuant to clauses (1) and (2) of this subsection) 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 1.5 times the Aggregate Debt Service for each such Fiscal Year, (c) if there shall be any uncompleted Project, that the Net Revenue Requirement for each such Fiscal Year includes the Aggregate Debt Service, as estimated by such Authorized Officer, with respect to all future Series of Senior Bonds which (based on estimates by the Consulting Engineers of Costs of Construction of such Project) will be required to complete such Project, (d) that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bonds or this Indenture and (e) that the amount in the Debt Reserve Amount is at least equal to the Debt Reserve Requirement and the amount in the Junior Bond Debt Reserve Account is at least equal to any requirement for such Account established by the related Supplemental Indenture.

5. The Authority may increase toll rates at any time and from time to time upon written recommendation of the Traffic Engineers, as evidenced by their certificate filed by the Authority with the Trustee.

6. The Authority may also make any minor adjustment or reclassification of toll rates or establish special toll rates at any time and from time to time provided that such action (i) is concurred in by the Traffic Engineers and affects traffic of a character specified by the Traffic Engineers as accounting for less than ten percent of the Revenues, as evidenced by the certificate of the Traffic Engineers filed by the Authority with the Trustee, and (ii) the Authority estimates such actions in the aggregate during any Fiscal Year will not result in a reduction of Net Revenues in excess of one and one-half percent of Net Revenues for the current or any future Fiscal Year, as supported by certificates, filed by the Authority with the Trustee, of the Traffic Engineers setting forth estimated Revenues, and of the Consulting Engineers setting forth the estimated Operating Expenses.

7. The Authority may also make any changes in toll rates when there is filed with the Trustee a Certificate of the Traffic Engineers that the change in toll rates is not projected to result in a reduction of Revenues during any Fiscal Year in the next five Fiscal Years or to and including the latest maturity of Senior Bonds, whichever is first to occur.

8. The Authority shall forthwith upon the adoption or revision of any Schedule of tolls or revision file certified copies with the Trustee.

9. The failure in any Fiscal Year to comply with the covenant in paragraph 2 above shall not constitute an Event of Default if the Authority shall comply with paragraph 3 above; provided that if the Traffic Engineers (relying upon the certificate of the Consulting Engineers mentioned below in this paragraph) shall be of the opinion, as shown by their certificate filed with the Trustee, that a schedule of tolls for the Tollway System which would provide funds to meet the requirements specified in paragraph 2 is impracticable at that time, and the Authority, therefore, cannot comply with paragraph 3, then the Authority shall fix and establish such schedule of tolls as is recommended in such certificate by the Traffic Engineers in order to comply as nearly as practicable with paragraph 2, and in such event the failure of the Authority to comply with paragraph 2 and paragraph 3 shall not constitute an Event of Default. The Traffic Engineers' certificate shall he accompanied by a certificate of the Consulting Engineers setting forth estimates of payments for the then current and each of the next ten Fiscal Years to and including the latest maturity of the Bonds, whichever is first to occur, for Operating Expenses and Renewal and Replacement Deposits,

giving effect to the estimated date of completion of construction of any uncompleted Project. The Trustee may, and upon the identical request of the Holders of not less than fifty percent in principal amount of the Senior Bonds Outstanding and upon being indemnified to its satisfaction shall, institute and prosecute in a court of competent jurisdiction or appropriate action to compel revision of the schedule of tolls and the fixing, charging and collection of tolls in accordance with the Act and any of the toll rate covenants.

ADDITIONAL 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 2020A BONDS – Certain Amendments to the Indenture –** ***Transfer Amendment***," 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:

a. 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;

b. default in the due and punctual payment of interest on any Senior Bond, when and as such interest shall become due and payable;

c. default in the performance or observance by the Authority of the toll covenant (see "**SECURITY AND SOURCES OF PAYMENT FOR THE 2020A BONDS – Toll Covenant**");

d. 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;

e. 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;

f. 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;

g. 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

h. 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.

THIRTIETH SUPPLEMENTAL INDENTURE

The 2020A Bonds are authorized and issued pursuant to the Thirtieth Supplemental Indenture and the Indenture. The terms of the 2020A Bonds are generally described in this Official Statement under the caption "**DESCRIPTION OF THE 2020A BONDS**." The proceeds of the 2020A Bonds are required by the Thirtieth 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 2020A Bonds. The 2020A 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 2020A 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 2020A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020A 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 2020A 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 2020A 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 2020A 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 2020A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020A 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 2020A 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 2020A 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 2020A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2020A 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 2020A 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 2020A Bonds; or (v) any other action taken by DTC or any Participant.

In reading this Official Statement it should be understood that while the 2020A 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.

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APPENDIX F

FORM OF OPINION OF BOND COUNSEL

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Katten
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December 17, 2020

The Board of Directors
of The Illinois State Toll Highway Authority

Dear Directors:

We have examined a record of proceedings relating to the issuance of $500,000,000 aggregate principal amount of Toll Highway Senior Revenue Bonds, 2020 Series A (the "2020A Bonds") of The Illinois State Toll Highway Authority, an instrumentality and administrative agency of the State of Illinois (the "Authority") duly organized and existing under the Toll Highway Act, 605 Illinois Compiled Statutes 10 (the "Act"). The 2020A Bonds are authorized to be issued under and pursuant to the Act, and by virtue of Resolution No. 21477, adopted by the Board of Directors of the Authority on February 22, 2018 and Resolution No. 22104 adopted by said Board of Directors on October 15, 2020 (collectively, the "Bond Resolution"). The 2020A Bonds are issued and secured under 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 Thirtieth Supplemental Indenture Providing For $500,000,000 Toll Highway Senior Revenue Bonds, 2020 Series A, dated as of December 1, 2020 (the "Thirtieth 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") by and between the Authority and the Trustee. The 2020A Bonds are a series of Senior Bonds under the Indenture.

The 2020A Bonds are dated December 17, 2020 and bear interest from their date at the rate of five percent (5.00%) per annum payable on July 1, 2021 and semiannually thereafter on each January 1 and July 1. The Bonds mature on January 1 in each of the following years in the respective principal amount set opposite each such year in the following table:

Year	Principal Amount
2036	$ 4,500,000
2037	5,000,000
2038	5,400,000
2039	12,100,000
2040	17,000,000
2041	80,000,000
2045	376,000,000

The 2020A Bonds are subject to redemption prior to maturity at the option of the Authority, in such principal amounts and from such maturities as the Authority shall determine and by lot within a single maturity, on January 1, 2031 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The 2020A Bonds maturing in the year 2045 are subject to mandatory redemption, in part and by lot, on January 1 of the years and in the respective principal amounts set forth in the following table, by the application of sinking fund installments, at a redemption price equal to the principal amount thereof to be redeemed:

Year	Principal Amount
2042	$94,000,000
2043	94,000,000
2044	94,000,000

Pursuant to the Indenture the Authority has previously issued bonds (the "Outstanding Bonds") that are Senior Bonds. The 2020A Bonds, the Outstanding Bonds and all other Senior Bonds hereafter issued under the Indenture are ratably and equally entitled to the benefits and security of the Indenture, including the pledge of and lien on the Net Revenues (the "Net Revenues") of the Tollway System (as defined in the Indenture).

The Act provides that the 2020A Bonds 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 to the owners or holders 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 or interest on the 2020A Bonds. The Authority has no taxing power.

Based upon our examination of said record of proceedings, we are of the opinion that:

1. The Authority has all requisite power and authority under the Constitution and the laws of the State of Illinois to adopt the Bond Resolution, to enter into the Indenture, to issue the 2020A Bonds thereunder and to perform all of its obligations under the Bond Resolution and the Indenture in those respects.

2. The Bond Resolution has been duly adopted by the Board of Directors of the Authority and is in full force and effect.

3. The Amended and Restated Indenture and the Thirtieth Supplemental Indenture have been duly authorized, executed and delivered by the Authority and constitute valid and binding contractual obligations of the Authority enforceable in accordance with their terms.

4. The 2020A Bonds have been duly authorized and issued, are the legal, valid and binding limited obligations of the Authority payable from the Net Revenues and the other moneys, securities and funds pledged therefor under the Indenture, are entitled to the benefits and security of the Indenture, and are enforceable in accordance with their terms.

5. All Senior Bonds, including the 2020A Bonds, are ratably and equally secured under the Indenture by the pledges and assignments created by the Indenture, including the pledge of the Net Revenues. The Indenture creates a valid pledge of and lien on the Net Revenues for the benefit and security of all Senior Bonds, subject to application of the moneys, securities and funds held under the Indenture in accordance with the terms of the Indenture.

6. Interest on the 2020A Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), interest on the 2020A Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Interest on the 2020A Bonds does not constitute an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the 2020A Bonds. These requirements relate to the use and investment of the proceeds of the 2020A Bonds, the payment of certain amounts to the United States, the security and source of payment of the 2020A Bonds and the use and tax ownership of the property financed with the proceeds of the 2020A Bonds. The Authority has covenanted in the Indenture to comply with these requirements.

Interest on the 2020A Bonds is not exempt from Illinois income taxes.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the 2020A Bonds, the Amended and Restated Indenture and the Thirtieth Supplemental Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully yours,

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Illinois Tollway®

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY • TOLL HIGHWAY SENIOR REVENUE BONDS, 2020 SERIES A

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