

**MASSACHUSETTS BAY TRANSPORTATION AUTHORITY  
ASSESSMENT BOND TRUST AGREEMENT**

**DATED AS OF JULY 1, 2000**

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## **ASSESSMENT BOND TRUST AGREEMENT**

**THIS ASSESSMENT BOND TRUST AGREEMENT** (the “Trust Agreement”) is made and entered into as of the 1st day of July, 2000, by and between the Massachusetts Bay Transportation Authority (the “Authority”), a body politic and corporate and political subdivision of The Commonwealth of Massachusetts (the “Commonwealth”) duly created by Chapter 161A of the Massachusetts General Laws (as from time to time in effect, the “Act”); and State Street Bank and Trust Company, a Massachusetts trust company (together with any successor trustee or trustees under this Trust Agreement, the “Trustee”).

### **WITNESSETH**

**WHEREAS**, the Authority holds, operates and manages mass transportation facilities in the Authority’s service area; and

**WHEREAS**, in accordance with Section 8 of the Act, the Commonwealth shall provide financial assistance to the Authority through the Massachusetts Bay Transportation Authority State and Local Contribution Fund (the “State and Local Contribution Fund”) established by Section 35T of Chapter 10 (“Section 35T”) of the Massachusetts General Laws; and

**WHEREAS**, receipts credited to the State and Local Contribution Fund consist of (i) the base revenue amount or the dedicated sales tax revenue amount (as defined in Section 35T) (such amounts being referred to herein as the “Dedicated Sales Tax”) and (ii) all assessments received pursuant to Section 9 of the Act (the “Assessments”); and

**WHEREAS**, under the Act the Authority is authorized to issue evidence of indebtedness secured by a pledge of all or a portion of the Dedicated Sales Tax and Assessments; and

**WHEREAS**, the Authority wishes to authorize the issuance, from time to time, of bonds and notes secured as hereinafter provided and to use the proceeds derived from the sale thereof in whole or in part for the costs of the Authority projects under the Act and the refunding of bonds, notes or other evidences of indebtedness incurred in respect of such costs;

**NOW, THEREFORE**, in consideration of the mutual agreements and representations contained in this Trust Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree, covenant, grant, pledge, assign, represent and warrant as follows:

### **ARTICLE I**

#### **DEFINITIONS AND STATUTORY AUTHORITY**

**101. Definitions.** The following terms shall, for all purposes of this Trust Agreement, have the following meanings:

**Account or Accounts** shall mean each account or all of the accounts established by or pursuant to Section 502, as the case may be.

**Accreted Value** shall mean with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth in a Supplemental Agreement authorizing the issuance of such Assessment Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

**Act** shall have the meaning provided in the first paragraph of this Trust Agreement.

**Aggregate Debt Service** for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Outstanding Assessment Bonds; provided, however, that for purposes of estimating Aggregate Debt Service for any future period, (i) any Variable Interest Rate Bonds shall be deemed to bear at all times (for which the interest rate is not yet determined) to the maturity thereof the Estimated Average Interest Rate applicable thereto; and (ii) any Put Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof, unless the Credit Facility or Liquidity Facility securing such Put Bonds expires within three months or less of the date of calculation and has not been renewed or replaced in which case such Put Bonds shall be assumed to mature on the expiration date of such Credit Facility or Liquidity Facility. For purposes of this definition, the principal and interest portions of the Accreted Value of any Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment and the principal and interest portions of the Appreciated Value of any Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the applicable Supplemental Agreement authorizing Assessment Bonds which are Capital Appreciation Bonds or Deferred Income Bonds, as the case may be.

**Alternate Revenues** shall mean any revenues of the Authority (other than Assessments) legally available and pledged by resolution of the Authority for its obligations under this Trust Agreement and deposited to the Pledged Revenue Fund, provided that (i) if such Alternate Revenues are to be received from the United States of America or the Commonwealth, they must automatically recur without appropriation, approval or other similar action for so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds or they constitute a general obligation of the Commonwealth and the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period, (ii) such Alternate Revenues consist of obligations with a rating by each Rating Agency in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds or (iii) the Authority has received a written confirmation from each Rating Agency that its unenhanced,

published rating of Outstanding Assessment Bonds will not be adversely affected by the designation of such revenues as Alternate Revenues.

**Amortized Value**, when used with respect to Investment Obligations purchased at a premium above or a discount below par, shall mean the value as of any given time obtained by dividing the total premium or discount at which such Investment Obligation was purchased by the number of days remaining to maturity on such Investment Obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase, and (1) in the case of an Investment Obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an Investment Obligation purchased at a discount by adding the product thus obtained to the purchased price.

**Appreciated Value** shall mean with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the applicable Supplemental Trust Agreement, (ii) as of any date prior to the Interest Commencement Date, other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

**Assessment Bond or Bonds** shall mean any bond or bonds and any Bond Anticipation Notes authenticated and delivered under this Trust Agreement.

**Assessment Floor Amount** shall mean the amount below which the amount assessed on cities and towns pursuant to the Act shall not be reduced in accordance with Section 35T.

**Assessments** shall have the meaning provided in the Recitals to this Trust Agreement.

**Authority** shall have the meaning provided in the first paragraph of this Trust Agreement.

**Authorized Newspaper** shall mean The Bond Buyer or a newspaper customarily published at least once a day for at least five days (other than legal holidays) in each week, printed in the English language and of general circulation in the City or in the Borough of Manhattan, City and State of New York.

**Authorized Officer** shall mean the General Manager, the Chief Financial Officer, the Director of Financial Planning, the Treasurer-Controller or the General Counsel of the Authority, and when used with reference to an act or document of the Authority also means any other person authorized by resolution of the Authority to perform the act or sign the document in question.

**Bank Bonds** shall mean any Assessment Bonds issued to or acquired or held by any bank, insurance company or other provider of credit and/or liquidity support or any designee thereof for any Assessment Bonds or for any Bond Anticipation Notes as evidence of the obligations of the Authority arising under any letter of credit, revolving credit agreement, insurance policy, reimbursement agreement or any other agreement, instrument or document relating to such credit and/or liquidity support; provided, however, that Bank Bonds do not include any Assessment Bonds issued to or held by any such party or its designee in any other capacity.

**Base Revenue Floor Amount** shall mean (as of the date of computation) the base revenue amount (as defined in Section 35T), as most recently certified by the Comptroller of the Commonwealth in accordance with Section 35T.

**Bond Anticipation Note** shall mean a note issued pursuant to Section 205.

**Bond Counsel** shall mean Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. or any other lawyer or firm of lawyers nationally recognized in the field of municipal finance and satisfactory to the Authority.

**Bondowner or Owner, or Owner of Assessment Bonds**, or any similar terms, shall mean any person who shall be the registered owner of any Outstanding Assessment Bond or Bonds.

**Bond Proceeds Fund** shall mean the Fund by that name established by Section 502.

**Business Day** shall mean any day that is not a Saturday, Sunday or legal holiday in the Commonwealth or a day on which banks in the City are authorized or required by law or executive order to close.

**Capital Appreciation Bond** shall mean any Assessment Bond as to which interest is payable only at the maturity or prior redemption of such Assessment Bond. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Assessment Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to this Trust Agreement for any purpose whatsoever, unless otherwise provided in the Supplemental Agreement authorizing such Capital Appreciation Bonds, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

**Capital Maintenance Fund** shall mean the fund of such name created and held by the Authority pursuant to Authority resolution, which fund shall be used to pay a portion of the ongoing schedule of maintaining the equipment and mass transportation facilities of the Authority.

**City** shall mean the City of Boston in the Commonwealth.

**Code** shall mean the Internal Revenue Code of 1986, as amended to the date of adoption of this Trust Agreement, unless a later date shall be specified in a Supplemental Agreement to be applicable to one or more Series of Assessment Bonds, and the applicable regulations thereunder, and any reference herein to any section thereof shall, to the extent the provisions of the Internal Revenue Code of 1986, as amended to the date of adoption of this Trust Agreement, unless a later date shall be specified in a Supplemental Agreement to be applicable to one or more Series of Assessment Bonds, are included in a successor code or in an equivalent section or sections of such a successor code, be deemed to include such successor code and the equivalent section or sections of such successor code and the applicable regulations thereunder.

**Commonwealth** shall have the meaning provided in the first paragraph of this Trust Agreement.

**Counsel's Opinion or Opinion of Counsel** shall mean an opinion signed by Bond Counsel or an attorney or firm of attorneys of recognized standing (who may be counsel to the Authority) selected by the Authority.

**Credit Facility** shall mean an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement or other agreement, facility or insurance or guaranty arrangement issued or extended by a Qualified Institution, pursuant to which the Authority is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Assessment Bonds due in accordance with their terms or tendered for purchase or redemption, plus accrued interest thereon to the date of payment, purchase or redemption thereof, in accordance with this Trust Agreement, whether or not the Authority is in default under this Trust Agreement.

**Debt Service** for any period shall mean, as of any date of calculation and with respect to the Outstanding Assessment Bonds of any Series, an amount equal to the sum of (i) interest accruing during such period on Outstanding Assessment Bonds of such Series and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series or, if (a) there shall be no such preceding Principal Installment due date or (b) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Assessment Bonds of such Series, whichever date is later. Such interest and Principal Installments for such Series shall be calculated on the assumption that (1) no Assessment Bonds (except for Put Bonds actually tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof and (2) the principal amount of Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof shall be deemed to accrue on the date required to be paid pursuant to such tender. For purposes of this definition, the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the applicable Supplemental Agreement. Debt Service on Assessment



Bonds with respect to which there is a Qualified Hedge Agreement shall be calculated consistent with Section 104. Debt Service shall include costs of Credit Facilities and Liquidity Facilities and reimbursement to Providers of Credit Enhancement, in each case if and to the extent payable from the Debt Service Fund. Debt Service on Bond Anticipation Notes shall not include any Principal Installments thereon.

**Debt Service Fund** shall mean the Fund by that name established by Section 502.

**Debt Service Reserve Fund** shall mean the Fund by that name established by Section 502.

**Debt Service Reserve Requirement** shall mean as of any date of calculation for each Series of Assessment Bonds, an amount equal to the least of (i) 10% of the original net proceeds from the sale of such Series, (ii) 125% of average annual Debt Service for such Series and (iii) the maximum amount of Debt Service due on the Bonds of such Series in any future Fiscal Year; provided that in the case that two or more Series of Bonds are treated as one issue for federal tax purposes, (a) the aggregate Debt Service Reserve Requirement for such Series shall not exceed the amount which would be applicable if such Series were treated as a single Series for purposes of calculating such requirement and (b) any reduction in the aggregate Debt Service Reserve Requirement resulting from the limitation in clause (a) of this proviso shall be allocated pro rata among the affected Series in accordance with the ratio of the initial principal amounts of such Series. The Estimated Average Interest Rate as of the date of issue for any Variable Interest Rate Bonds shall be used to establish Debt Service on such Assessment Bonds for the purpose of the Debt Service Reserve Requirement.

**Dedicated Payments** shall mean any revenues of the Authority which are not Pledged Revenues, as defined in the Trust Agreement as initially entered into which the Authority subsequently pledges as additional security for its payment obligations on the Assessment Bonds pursuant to a resolution of the Authority and which are specifically designated as Dedicated Payments by the Authority in accordance with the limitations of Section 605 hereof and, accordingly, are to be deposited in the Debt Service Fund upon receipt.

**Dedicated Sales Tax** shall have the meaning provided in the Recitals to this Trust Agreement.

**Deferred Income Bond** shall mean any Assessment Bond (i) as to which interest accruing thereon prior to the Interest Commencement Date of such Assessment Bond is (a) compounded on each Valuation Date for such Deferred Income Bond and (b) payable only at the maturity or prior redemption of such Assessment Bonds and (ii) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date immediately succeeding the Interest Commencement Date and periodically thereafter on the dates set forth in the applicable Supplemental Agreement. For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity or (ii) computing the principal amount of Assessment Bonds held by the registered owner of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to this Trust Agreement for any purposes whatsoever, unless otherwise provided in the applicable Supplemental Agreement, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value.

**Deficiency Fund** shall mean the fund by such name created and held by the Authority pursuant to Authority resolution, which fund may be used to pay debt service on Authority bonds, notes and other obligations and other expenses of the Authority.

**Estimated Average Interest Rate** shall mean, as to any Variable Interest Rate Bond and as of any date of calculation, the “25-year revenue bond index” most recently published in The Bond Buyer or, if such index is no longer published, such other substantially comparable index as determined by the Authority.

**Fiduciary or Fiduciaries** shall mean the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

**Fiscal Year** shall mean that period beginning on the first day of July of any year and ending on the last day of June of the subsequent year or, at the option of the Authority, any other period of twelve consecutive calendar months selected by the Authority in a written instrument delivered to the Trustee as the Fiscal Year of the Authority.

**Fund or Funds** shall mean each fund or all of the funds established by Section 502, as the case may be.

**Hedge Agreement** shall mean 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 Assessment Bonds.

**Historic Dedicated Sales Tax Revenue Amount** shall mean (as of any date of computation) the dedicated sales tax revenue amount, as defined in Section 35T, for any consecutive 12 of the last 24 months, as determined by an Authorized Officer.

**Indebtedness** shall mean Assessment Bonds or Bond Anticipation Notes.

**Interest Commencement Date** shall mean, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the applicable Supplemental Agreement after which interest accruing on such Assessment Bond shall be payable on the first interest payment date immediately succeeding such Interest Commencement Date and periodically thereafter on the dates specified in the Supplemental Agreement authorizing such Deferred Income Bond.

**Investment Agreement** shall mean an agreement for the investment of moneys with, or unconditionally guaranteed by, a Qualified Institution but shall not mean an obligation of the type described in clause (ix) of the definition of Investment Obligation herein.

**Investment Income** shall mean income from Investment Obligations held in the Funds and Accounts established in Section 502, other than (i) if so determined in a Supplemental Agreement, income from Investment Obligations purchased from the proceeds of such Assessment Bonds held in the Bond Proceeds Fund and (ii) income from Investment Obligations held in the Rebate Fund.

**Investment Obligation** shall mean and include any of the following securities, to the extent investment in such securities by the Authority is authorized under applicable law:

(i) a bond or other obligation which as to principal and interest constitutes a direct obligation of, or is unconditionally guaranteed by, the United States of America, including an obligation of any of the Federal Agencies described in clause (iii) below to the extent unconditionally guaranteed by the United States of America;

(ii) a bond or other obligation of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which is not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bond or other obligation by the obligor to give due notice of redemption and to call such bond or other obligation for redemption on the date or dates specified in such instructions, (b) which is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bond or other obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund, together with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bond or other obligation described in this clause (ii) on the maturity date thereof or on the redemption date specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) a bond, debenture, or other evidence of indebtedness issued or guaranteed at the time of the investment by the Student Loan Marketing Association, Federal National Mortgage Association, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, the Tennessee Valley Authority, the United States Postal Service, Federal Farm Credit System Obligations, the Export Import Bank, the World Bank, the International Bank for Reconstruction and Developments, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation, the U.S. Agency for International Development and the Inter-American Development Bank or any other agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(iv) an obligation of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which shall be rated at the time of the investment in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by each Rating Agency;

(v) a certificate or other instrument that evidences ownership of the right to payment of the principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 709 of this Trust Agreement, and provided further that the payment of all principal of and interest on such certificate or such instrument shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which at the date of investment shall have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by any Rating Agency, without regard to any refinement or gradation of such rating;

(vi) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state (as used herein, "deposits" shall mean obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by any of the obligations described in clauses (i) or (iii) above having a market value (exclusive of accrued interest) of not less than the uninsured amount of such deposit or (b) (1) unsecured or (2) secured to the extent, if any, required by the Authority and in either case made with a Qualified Institution;

(vii) a certificate that evidences ownership of the right to payments of principal of or interest on obligations described in clause (i), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 709 of this Trust Agreement;

(viii) a time deposit, certificate of deposit, whether negotiable or non-negotiable, and a banker's acceptance of one or more of the 50 largest banks in the United States or commercial paper issued by the parent holding company of any such bank which at the time of investment has an outstanding unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency (including the Trustee and its parent holding company, if any, if it otherwise qualifies);

(ix) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York which at the time of investment has an outstanding unsecured, uninsured and unguaranteed long-term debt issue or commercial paper issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency (including the Trustee and its parent holding company, if any, if it

otherwise qualifies), which agreement is secured by any one or more of the securities described in clause (i), (iii) or (vii) above which securities shall at all times have a market value (exclusive of accrued interest) of not less than the full amount of the repurchase agreement and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian;

(x) an Investment Agreement;

(xi) money market funds registered under the Federal Investment Company Act of 1940, as amended, whose shares are registered under the Federal Securities Act of 1933, and having a rating in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency; and

(xii) commercial paper, notes, bonds or other obligations of any corporation rated, at the time of investment, in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency, without regard to refinement or gradation of such rating; and

(xiv) any other investment in which moneys of the Authority may be legally invested provided that at the time of such investment the Authority obtains written confirmation from each Rating Agency that such investment will not result in the reduction or suspension of the then existing rating on the Assessment Bonds by each such Rating Agency.

**Liquidity Facility** shall mean an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a Qualified Institution, pursuant to which the Authority is entitled to obtain moneys upon the terms and conditions contained therein for the purchase or redemption of Assessment Bonds tendered for purchase or redemption in accordance with the terms of this Trust Agreement.

**Net Debt Service** shall mean Debt Service payable on Assessment Bonds less (i) the sum of (a) interest accrued or to accrue on such Assessment Bonds which is to be paid from deposits in the Debt Service Fund from the proceeds of Assessment Bonds in accordance with a certificate of an Authorized Officer to the Trustee, (b) additional amounts transferred to the Debt Service Fund at the Authority's direction, (c) Investment Income from the Pledged Revenue Fund and any Account of the Bond Proceeds Fund established by Supplemental Agreement and held by the Trustee transferred or to be transferred in the current Fiscal Year to or retained in the Debt Service Fund and (d) Dedicated Payments deposited in the Debt Service Fund pursuant to Section 605 plus (ii) Debt Service payable on Bond Anticipation Notes issued in anticipation of Assessment Bonds net of any amounts deposited from the proceeds of such notes available in the Debt Service Fund or in another account established in connection with the issuance of such notes for the payment of such Debt Service.

**Opinion of Bond Counsel** shall mean a legal opinion signed by Bond Counsel.

**Outstanding**, when used with reference to Assessment Bonds of a Series, shall mean, as of any date, Assessment Bonds or Bonds of such Series, theretofore or thereupon being authenticated and delivered, issued under this Trust Agreement except:

- (i) any Assessment Bonds canceled by any Fiduciary at or prior to such date,
- (ii) Assessment Bonds (or portions of Assessment 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 redemption date, shall be held in trust under this Trust Agreement and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Assessment Bonds (or portions of Assessment Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article IV;
- (iii) Assessment Bonds in lieu of or in substitution for which other Assessment Bonds shall have been authenticated and delivered pursuant to Article III, Article IV or Article IX unless proof satisfactory to the Trustee is presented that any such Assessment Bonds are held by a bona fide purchaser in due course;
- (iv) Assessment Bonds deemed to have been paid as provided in Section 1004; and
- (v) Put Bonds deemed tendered in accordance with the provisions of the applicable Supplemental Agreement on the applicable adjustment or conversion date, if the purchase price thereof and interest thereon shall have been paid or amounts are available for such payment as provided in this Trust Agreement.

For purposes of the foregoing definition, any Assessment Bonds which are Bank Bonds shall be deemed Outstanding only in a principal amount equal to the principal amount of the obligation then owed by the Authority thereunder regardless of the face amount of such Bank Bond.

**Paying Agent** shall mean any paying agent for the Assessment Bonds of any Series, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Trust Agreement.

**Pledged Revenue Fund** shall mean the Fund by that name established by Section 502.

**Pledged Revenues** shall mean Assessments, payments received by the Authority from a Provider of a Hedge Agreement that is not a Qualified Hedge and Alternate Revenues, if any.

**Principal Installment** shall mean, as of any date of calculation and with respect to the Assessment Bonds of any Series, so long as any Assessment Bonds thereof are Outstanding, (i) the principal amount of Assessment Bonds (including the principal amount of any Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series due on a future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in Section 509) of any

Sinking Fund Installments due on a future date for Assessment Bonds of such Series, plus the amount of the premium, if any, which would be applicable upon redemption of such Assessment Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Assessment Bonds of such Series, the sum of such principal amount of Assessment Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date, plus such applicable redemption premium, if any.

**Provider** shall mean any person or entity providing a Credit Facility, a Liquidity Facility or a Qualified Hedge Agreement with respect to any one or more Series of Assessment Bonds, pursuant to agreement with or upon the request of the Authority.

**Put Bond** shall mean an Assessment Bond which by its terms may be tendered by and at the option of the Owner thereof for payment by the Authority prior to the stated maturity or redemption date thereof.

**Qualified Hedge Agreement** shall mean a Hedge Agreement which meets the tests of subsection 1 of Section 104.

**Qualified Institution** shall mean (i) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time an Investment Agreement, Qualified Hedge Agreement, Credit Facility or Liquidity Facility is entered into by the Authority are rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by each Rating Agency or (ii) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality.

**Qualified Reserve Fund** shall mean any reserve fund that is held by the Trustee or the Authority and is designated by the Authority as a Qualified Reserve Fund; provided that the Authority has received a written confirmation from each Rating Agency that its published, unenhanced rating of the Assessment Bonds will not be adversely affected by such designation.

**Qualified Reserve Fund Requirement** shall mean such amount established in a certificate of an Authorized Officer delivered to the Trustee, provided that the Authority has received a written confirmation from each Rating Agency that its published, unenhanced rating of the Assessment Bonds will not be adversely affected by the Qualified Reserve Fund Requirement being equal to such amount.

**Rating Agency** shall mean each recognized rating service which maintains a published, unenhanced rating on any Outstanding Assessment Bonds at the request of the Authority.

**Rebate Fund** shall mean the Fund by that name established by Section 502.

**Rebate Fund Requirement** shall mean, as of any date of calculation, an amount equal to the aggregate of the amounts, if any, specified in a certificate from an Authorized Officer of the Authority or the applicable Supplemental Agreement, as the amount required to be maintained in the Rebate Fund with respect to such Assessment Bonds.

**Redemption Price** shall mean, with respect to any Assessment Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Trust Agreement, but excluding accrued interest.

**Refunding Bonds** shall mean all Assessment Bonds authenticated and delivered on original issuance pursuant to Section 204.

**Residual Sales Tax** shall mean for any year the greater of the Base Revenue Floor Amount and the Historic Dedicated Sales Tax Revenue Amount less the sum of (i) the estimated debt service on Prior Obligations, (ii) Senior Net Debt Service (as defined in the Sales Tax Bond Trust Agreement), (iii) Subordinated Net Debt Service (as defined in the Sales Tax Bond Trust Agreement) and (iv) debt service on other indebtedness (other than Indebtedness) secured by a pledge of or a security interest in and payable from the Dedicated Sales Tax.

**Sales Tax Bonds** shall mean any bond or bonds, any bond anticipation notes or other evidences of indebtedness and delivered under the Sales Tax Bond Trust Agreement.

**Sales Tax Bond Trust Agreement** shall mean the Massachusetts Bay Transportation Authority Sales Tax Bond Trust Agreement dated as of July 1, 2000 by and between the Authority and State Street Bank and Trust Company, as Trustee, as amended and supplemented from time to time.

**Section 35T** shall have the meaning provided in the Recitals to this Trust Agreement.

**Series** shall mean all of the Assessment Bonds authenticated and delivered on original issuance and designated as such by the Authority in a simultaneous transaction pursuant to Article II and any Assessment Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to Article III or Section 406, regardless of variations in maturity, interest rate, sinking fund, or other provisions.

**Sinking Fund Installment** shall mean, as of any date of calculation and with respect to any Assessment Bonds of a Series, so long as any Assessment Bonds thereof are Outstanding, the amount of money required by the applicable Supplemental Agreement, to be paid on a single future date for the retirement of any Outstanding Assessment Bonds of said Series which mature after said date, but does not include any amount payable by the Authority by reason only of the maturity of an Assessment Bond.



**Standby Purchase Agreement** shall mean an agreement by and between the Authority and another entity pursuant to which such entity is obligated to purchase Put Bonds tendered for purchase or redeemed in lieu of purchase upon such tender.

**State and Local Contribution Fund** shall have the meaning provided in the Recitals to this Trust Agreement.

**Supplemental Agreement** shall mean any trust agreement supplemental to or amendatory of the Trust Agreement, adopted by the Authority in accordance with Article VIII.

**Trustee** shall have the meaning provided in the first paragraph of this Trust Agreement.

**Trust Agreement** shall have the meaning provided in the first paragraph of this Trust Agreement.

**Valuation Date** shall mean (i) with respect to any Capital Appreciation Bond the date or dates set forth in the applicable Supplemental Agreement on which specific Accreted Values are assigned to the Capital Appreciation Bond and (ii) with respect to any Deferred Income Bond, the date or dates on or prior to the Interest Commencement Date set forth in the applicable Supplemental Agreement on which specific Appreciated Values are assigned to the Deferred Income Bond.

**Variable Interest Rate** shall mean a variable interest rate to be borne by any Variable Interest Rate Bond. The method of computing such variable interest rate shall be specified in the applicable Supplemental Agreement. Such Supplemental Agreement shall also specify either (i) the particular period or periods of time for which each value of such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

**Variable Interest Rate Bond** shall mean an Assessment Bond which bears interest at a Variable Interest Rate.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations.

Except as otherwise provided herein, all references in this Trust Agreement to Articles, Sections, and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement, and the words hereby, hereto, herein, hereof, hereunder and other words of similar import refer to this Trust Agreement as a whole and not any particular Article, Section or subdivision of this Trust Agreement. The headings or titles of the several articles and sections of this Trust Agreement, and any Table of Contents appended to copies of this Trust Agreement, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement.

**102. Authority for This Trust Agreement.** This Trust Agreement is adopted pursuant to the provisions of the Act.

**103. Trust Agreement to Constitute Contract.** In consideration of the purchase and acceptance of any and all Assessment Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Trust Agreement shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Assessment Bonds; and the pledge made in this Trust Agreement and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Owners of any and all of the Assessment Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Assessment Bonds over any other thereof except as expressly provided in or permitted by this Trust Agreement or any Supplemental Agreement.

**104. Hedging Transactions.**

1. A Hedge Agreement is a Qualified Hedge Agreement if (i) the Provider of the Hedge Agreement is a Qualified Institution or the Provider's obligations under the Hedge Agreement are unconditionally guaranteed by a Qualified Institution and (ii) the Authority designates it as such by Certificate of an Authorized Officer.

2. If the Authority shall enter into any Qualified Hedge Agreement with respect to any Assessment Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to those Assessment 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:

(1) for purposes of any calculation of Debt Service, the interest rate on the Assessment Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Assessment Bonds had interest payments equal to the interest payable on those Assessment Bonds less any payments reasonably expected to be made to the Authority by the Provider and plus any payments reasonably expected to be made by the Authority to the Provider in accordance with the terms of the Qualified Hedge Agreement (other than fees or termination payments payable to such Provider for providing the Qualified Hedge Agreement);

(2) 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 shall be made from amounts on deposit in the Debt Service Fund;

(3) any such payments received by or for the account of the Authority from the Provider pursuant to such Qualified Hedge Agreement shall be deposited in the Debt Service Fund; and

(4) fees and termination payments, if any, payable to the Provider may be deemed to be Debt Service and paid from amounts on deposit in the Debt Service Fund if and to the extent expressly provided in the Qualified Hedge Agreement (otherwise such fees and termination payments shall be payable solely from general funds of the Authority).

3. If the Authority shall enter into a Hedge Agreement that is not a Qualified Hedge Agreement, then:

(1) the interest rate adjustments or assumptions referred to in clause (1) of subsection 2 shall not be made;

(2) any and all payments required to be made by the Authority to the Provider pursuant to such Hedge Agreement (including any fee and termination payments) shall be made only from general funds of the Authority; and

(3) any payments received by the Authority from the Provider pursuant to such Hedge Agreement shall be treated as Pledged Revenues and shall be deposited in the Pledged Revenue Fund.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF ASSESSMENT BONDS

#### **201. *Authorization of Assessment Bonds.***

1. There are hereby authorized to be issued from time to time Assessment Bonds of the Authority to be designated as "Assessment Bonds." Each Series of Assessment Bonds may bear such additional designation as the Authority shall determine by Supplemental Agreement. There is hereby further created, in the manner and to the extent provided herein, a continuing pledge and lien to secure the full and final payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, all of the Assessment Bonds. The Assessment Bonds shall be special obligations of the Authority payable solely from the items pledged to the payment thereof pursuant to Section 501. The aggregate principal amount of the Assessment Bonds which may be executed, authenticated and delivered under this Trust Agreement is not limited except as is or may hereafter be provided in this Trust Agreement, in the Act or as may be limited by law.

2. Nothing in this Trust Agreement shall be deemed to preclude or prevent the consolidation into a single Series for purposes of issuance and sale of Assessment Bonds otherwise permitted by this Trust Agreement to be issued at the same time in two or more separate Series, provided that solely for the purpose of satisfying the requirements of Article II, as the case may be, the Assessment Bonds otherwise permitted by this Trust Agreement to be issued as a separate Series shall be considered separately as if such Assessment Bonds were to be issued as a separate Series. In the event that separate Series are combined for purposes of issuance and sale, they may be issued under a single Supplemental Agreement notwithstanding any other provision of this Trust Agreement.

#### **202. *Provisions for Issuance of Assessment Bonds.***

1. Assessment Bonds of one or more Series may at any time or from time to time be authenticated and delivered upon original issuance (i) to pay or provide for the payment of other

Authority bonds, notes or other obligations, (ii) to refund Outstanding Assessment Bonds, (iii) to pay costs of the Authority in accordance with the Act, (iv) to make a deposit to the Bond Proceeds Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Deficiency Fund, the Capital Maintenance Fund or any Qualified Reserve Fund including any Accounts therein, and (v) to pay or provide for the payment of the costs incurred in connection with the issuance of Assessment Bonds.

2. General Provisions. The Assessment Bonds of a Series authorized to be issued shall be executed by the Authority and delivered to the Trustee. Such Assessment Bonds shall from time to time and in such amounts as directed by the Authority be authenticated and delivered by the Trustee to or upon the order of the Authority upon receipt of the consideration therefor and upon delivery to the Trustee of:

(1) An Opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act to enter into this Trust Agreement, and the Trust Agreement has been duly and lawfully approved by the Authority, and, assuming due authorization, execution and delivery by the Trustee, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Trust Agreement is required; (ii) the Trust Agreement creates the valid pledge of the items which it purports to pledge to the payment of the Assessment Bonds pursuant to Section 501, subject to the application thereof to the purposes and on the conditions permitted by the Trust Agreement; and (iii) the Assessment Bonds of such Series are valid and binding special obligations of the Authority as provided in the Trust Agreement, enforceable in accordance with their terms and the terms of the Trust Agreement, and entitled to the benefit of the Trust Agreement and of the Act and such Assessment Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the Trust Agreement; provided, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy;

(2) A written order as to the delivery of the Assessment Bonds of such Series, signed by an Authorized Officer;

(3) Copies of the Trust Agreement as amended and supplemented and of the Supplemental Agreement authorizing such Series, each executed by an Authorized Officer;

(4) If any Assessment Bonds of such Series are Put Bonds, a Credit Facility or Liquidity Facility in such an amount as would provide sufficient moneys for the purchase or redemption of all Put Bonds of such Series if Owners thereof elected to tender for purchase or redemption the entire aggregate Outstanding principal amount of the Put Bonds of such Series;

(5) A certificate of an Authorized Officer:

(i) setting forth (a) the Net Debt Service for Outstanding Assessment Bonds after the issuance of such Series of Assessment Bonds for the then current and each future Fiscal Year during which such Series of Assessment Bonds shall be Outstanding and (b) the

Residual Sales Tax for the then current and each future Fiscal Year during which such Series of Assessment Bonds shall be Outstanding;

(ii) stating that the amount on deposit in the Debt Service Reserve Fund (after taking into account any surety bond, insurance policy, letter of credit or other similar obligation on deposit therein) immediately after the authentication and delivery of the Assessment Bonds of such Series (and in the event that any Outstanding Assessment Bonds are then being redeemed, after such redemption) will be at least equal to the Debt Service Reserve Requirement; and

(iii) demonstrating that:

(a) (1) for each year, the Assessment Floor Amount divided by the amount set forth in clause 5(i)(a) is (A) at least equal to 1.00 and (B) so long as the Outstanding Assessment Bonds are rated by Moody's Investors Service, Inc., at least equal to 1.20 or such lesser amount as shall be acceptable to Moody's Investor Service Inc.; and

(2) for each year, the sum of the Assessment Floor Amount plus the Residual Sales Tax set forth in 5(i)(b) divided by the amount set forth in 5(i)(a) is at least equal to 1.50; or

(b) the aggregate of the amounts on deposit in each Qualified Reserve Fund shall equal the Qualified Reserve Fund Requirement.

In the event that at the time of delivery of such certificate, any Bond Anticipation Notes are Outstanding, such certificate shall assume that there are Assessment Bonds Outstanding in a principal amount equal to Outstanding principal amount of such Bond Anticipation Notes, which Assessment Bonds mature in 40 years, bear interest at the Estimated Average Rate, and the Principal Installments and interest due on such Assessment Bonds come due in substantially equal annual payments.

(6) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Assessment Bonds of such Series, the Authority will not be in default in the performance of the terms and provisions of the Trust Agreement or of any of the Assessment Bonds.

### **203. *Supplemental Agreements.***

1. Assessment Bonds of any Series shall be authorized by a Supplemental Agreement which shall specify among other things:

(1) The authorized principal amount and other designation and Series of such Assessment Bonds;

(2) The purpose for which such Series of Assessment Bonds is being issued which shall be one or more of the purposes specified in Article II;

- (3) The aggregate principal amount of Assessment Bonds of such Series and the principal amount of Assessment Bonds of such Series of each maturity;
- (4) The date or dates, and the maturity date or dates (or in the case of Bank Bonds the method of calculating such maturity date) of the Assessment Bonds of such Series;
- (5) The interest rate or rates of such Assessment Bonds of such Series, or the manner of determining such rate or rates, and the interest payment dates or the method of determining such dates therefor;
- (6) If Assessment Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Assessment Bonds and the Accreted Value on each such Valuation Date;
- (7) If Assessment Bonds of such Series are Deferred Income Bonds, the Interest Commencement Date for such Assessment Bonds, the Valuation Dates prior to the Interest Commencement Date for such Assessment Bonds and the Appreciated Value on each such Valuation Date;
- (8) If Assessment Bonds of such Series are Capital Appreciation Bonds or Deferred Income Bonds, the manner in which and the period during which principal and interest shall be deemed to accrue on such Assessment Bonds if other than as set forth in this Trust Agreement;
- (9) If Assessment Bonds of such Series are Variable Interest Rate Bonds, the maximum interest rate, if any, for such Assessment Bonds, and the provisions, if any, as to the calculation or change of Variable Interest Rates;
- (10) If Assessment Bonds of such Series are Put Bonds, provisions regarding tender for purchase or redemption thereof and payment of the purchase or Redemption Price thereof;
- (11) The denomination or denominations of, and the manner of dating, numbering and lettering, the Assessment Bonds of such Series;
- (12) The Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Assessment Bonds of such Series, or the method of determining the same;
- (13) The Redemption Price or Prices, if any, or the method of determining such Redemption Price or Prices, and, subject to the provisions of Article IV, the redemption terms, if any, for the Assessment Bonds of such Series, provided that (i) Assessment Bonds of any maturity for which Sinking Fund Installments shall be established shall in any event be redeemable, or payable at maturity, by application of the Sinking Fund Installments for such Assessment Bonds on the due dates of such Installments and (ii) if such Assessment Bonds shall be redeemable by application of any Sinking Fund Installment within the period during which such Sinking Fund Installment (as a Principal Installment) shall be deemed to accrue in

accordance with the definition of Debt Service, the Redemption Price applicable within such period shall be the same as that applicable on the due date of such Sinking Fund Installment;

(14) The amount, or the method for determining such amount, and due date, and in the case of Assessment Bonds which are or may become Bank Bonds the method of determining such due date if such Assessment Bonds are or become Bank Bonds, of each Sinking Fund Installment, if any, for Assessment Bonds of like maturity of such Series;

(15) The amount, if any, or the method for determining such amount, to be credited to any account established within the Bond Proceeds Fund or the Debt Service Fund for capitalized interest with respect to such Series of Assessment Bonds and provisions for the application thereof to the payment of all or a portion of the interest on such Series of Assessment Bonds or any other Series of Assessment Bonds;

(16) The amount, if any, necessary for deposit in the Debt Service Reserve Fund so that the amount in the Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or similar obligations deposited in such Fund pursuant to subsection 4 of Section 507, shall equal the Debt Service Reserve Requirement calculated immediately after the authentication and delivery of such Series of Assessment Bonds;

(17) If so determined by the Authority, provisions for the application of additional reserve funds to secure the Assessment Bonds;

(18) The amount, if any, necessary for deposit in the Bond Proceeds Fund, or any Account or sub-account therein;

(19) If so determined by the Authority, provisions for the application of any moneys available therefor to the purchase or redemption of Assessment Bonds of such Series and for the order of purchase or redemption of such Assessment Bonds;

(20) If so determined by the Authority, provisions for the sale of the Assessment Bonds of such Series;

(21) If so determined by the Authority, provisions to allow Assessment Bonds of such Series to be issued in the form of Assessment Bonds issued and held in book-entry form in the books of the Authority or any entity entering into an agreement with respect thereto with the Authority;

(22) If so determined by the Authority, provisions to allow Assessment Bonds of a Series or a maturity within a Series to bear interest at a rate or rates determined by Dutch auction, or such other form of auction as determined by the Authority, and provisions permitting Authorized Officers to enter into any and all agreements reasonably required to issue Assessment Bonds containing such terms;

(23) If so determined by the Authority, provisions to allow Assessment Bonds of a Series or a maturity within a Series to be matched with an equal aggregate principal amount of Assessment Bonds of another Series of the same maturity or maturities such that the Assessment

Bonds so matched of the first Series shall bear interest at a rate or rates determined by Dutch auction, or such other form of auction as determined by the Authority, and the Assessment Bonds so matched of the second Series shall bear interest at a rate or rates equal to a specified fixed interest rate or rates less the sum of the rate or rates borne from time to time on the matched Assessment Bonds of the first Series and a specified fee or fees, and provisions permitting Authorized Officers to enter into any and all agreements reasonably required to issue Assessment Bonds containing such terms; and

(24) The forms of the Assessment Bonds of such Series and of the Trustee's certificate of authentication; and

(25) Such other matters, not contrary to or inconsistent with this Trust Agreement, as the Authority may deem advisable or necessary in connection with the authorization, issuance, sale, or delivery of such Series of Assessment Bonds.

(26) All the Assessment Bonds of such Series of like maturity, other than Bank Bonds, shall be identical in all respects, except as to dated date, interest rates, denominations, numbers and letters. Except to the extent specifically provided in the Supplemental Agreement authorizing a Series of Assessment Bonds, after the original issuance of Assessment Bonds of such Series, no Assessment Bonds of such Series, other than Bank Bonds, shall be issued except in lieu of or in substitution for other Assessment Bonds of such Series.

#### **204. *Special Provisions for Refunding Bonds.***

1. One or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all or any portion of the Outstanding Assessment Bonds of a Series, in an aggregate principal amount which will provide funds, together with other moneys available therefor, to accomplish such refunding.

2. The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by subsection 2 of Section 202, other than 202(2)(5)) of:

(1) If the Assessment Bonds to be refunded are to be redeemed, instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Assessment Bonds so to be refunded on a redemption date specified in such instructions, subject to the provisions of Article IV hereof;

(2) If the Assessment Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in Section 1004, instructions to the Trustee, satisfactory to it, to give due notice in the manner provided in Section 1004 with respect to the payment of said Assessment Bonds pursuant to said Section; and

(3) If the Assessment Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in Section 1004, (i) moneys and/or (ii) Investment Obligations (as defined in Section 1004) as shall be necessary to comply with the provision of Section 1004,



which Investment Obligations and moneys shall be held in trust and used only as provided Section 1004;

(4) If the proceeds of such Series of Refunding Bonds are to be utilized by the Authority to purchase Assessment Bonds to be delivered to the Trustee in satisfaction of a Sinking Fund Installment or to defease a portion of the Assessment Bonds which are the subject of a Sinking Fund Installment in accordance with subsection 3 of Section 514, a certificate of an Authorized Officer of the Authority specifying (i) the principal amount, Series, maturity, interest rate and number of the Assessment Bonds to be so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Assessment Bonds are to be so delivered, (iii) the aggregate principal amount of the Assessment Bonds to be so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of the Assessment Bonds to be so delivered; and

(5) Either (a) a certificate of an Authorized Officer of the Authority stating that (i) the final maturity of the Refunding Bonds is no later than the final maturity of the Assessment Bonds to be refunded and (ii) as a result of the issuance of the Refunding Bonds there shall be no increase in the amount of Debt Service in any Fiscal Year; or (b) the certificate provided for in Section 202(2)(5) with respect to such Series of Refunding Bonds, considering for all purposes of such certificate that (i) such Series of Refunding Bonds is a Series of Assessment Bonds issued pursuant to Section 202 and (ii) that the Assessment Bonds to be refunded are no longer Outstanding.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Assessment Bonds in the manner provided in the Supplemental Agreement authorizing such Assessment Bonds.

**205. Bond Anticipation Notes.** Whenever the Authority shall authorize the issuance of a Series of Assessment Bonds (without necessity for the Authority to have entered into a Supplemental Agreement providing for such issue or to have satisfied the conditions set forth in Section 202 or 203, as applicable), the Authority may by resolution authorize the issuance of notes (and renewals thereof) in anticipation of the sale of such authorized Series of Assessment Bonds. The principal of and interest on such notes and renewals thereof shall be payable from the proceeds of such notes, from the proceeds of the sale of the Series of Assessment Bonds in anticipation of which such Notes are issued or from funds of the Authority. The proceeds of such Assessment Bonds may be pledged for the payment of the principal of and interest on such notes and any such pledge shall have a priority over any other pledge of such proceeds created by this Trust Agreement. The Authority may secure the payment of the interest on such notes by a pledge that is on a parity with the pledge under Section 501 securing all Assessment Bonds, in which event such interest shall be payable from the Debt Service Fund. The Authority may also pledge the Pledged Revenues and other Authority funds to the payment of the principal of such notes, but such pledge shall be subordinate to the pledge securing the payment of the Assessment Bonds. A copy of the resolution of the Authority authorizing such notes, certified by an Authorized Representative of the Authority, shall be delivered to the Trustee following its adoption. The aggregate principal amount of notes issued under this Section 207 which may be Outstanding at any time shall be limited as and to the extent provided in the Act.

**206. *Additional Obligations.*** The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness or to enter into a hedge agreement pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness or provider of the hedge agreement is not, except as provided herein, entitled to a charge or lien or right with respect to the Pledged Revenues or the Funds and Accounts created hereby or pursuant hereto. Notwithstanding the foregoing, the Authority may by Supplemental Resolution issue bonds, notes or any other obligations or enter into a hedge agreement entitled to a charge or lien or right with respect to the Pledged Revenue or the Funds and Accounts hereunder, so long as amounts payable on such obligations or under such agreement shall be payable after the deposits set forth in 501(4).

### ARTICLE III

#### GENERAL TERMS AND PROVISIONS OF ASSESSMENT BONDS

**301. *Medium of Payment; Form and Date; Letters and Numbers.***

1. The Assessment Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

2. The Assessment Bonds of each Series shall be issued in the form of fully registered Assessment Bonds without coupons, unless otherwise authorized by a Supplemental Agreement. The Assessment Bonds shall be as provided in the Supplemental Agreement authorizing such Assessment Bonds.

3. Each Assessment Bond shall be lettered and numbered as provided in a Supplemental Agreement and so as to be distinguished from every other Assessment Bond.

4. If applicable, all payments of principal, Sinking Fund Installments or Redemption Price of or interest on Assessment Bonds shall specify the CUSIP number or numbers of the Assessment Bonds in connection with which such payment is made.

5. Subject to Section 302, each Assessment Bond shall be entitled, shall bear such letter or numbers and such Series designation as shall be determined in the Supplemental Agreement authorizing the Assessment Bonds.

6. Unless otherwise determined by a Supplemental Agreement authorizing a particular Series of Assessment Bonds, each Assessment Bond shall be payable at the principal corporate trust office of the Trustee, or of any Paying Agent appointed or provided for such Assessment Bond. Assessment Bonds which do not constitute tax exempt Indebtedness may be issued in coupon form payable to bearer, in the form of fully registered bonds without coupons payable to a named person or registered assigns, or in such other form as the Authority may elect, and shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts or in coin or currency of any other sovereign nation or in any other manner then commonly in use in any recognized

international securities or commodities market. The Assessment Bonds of each Series which constitutes tax exempt Indebtedness shall be issued in the form of fully registered bonds without coupons payable to a named person or registered assigns and shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Notwithstanding the foregoing, however, if the Authority shall deliver or cause to be delivered to the Trustee an Opinion of Bond Counsel to the effect that the issuance of a Series of Assessment Bonds (i) in coupon form payable to bearer or (ii) payable in coin or currency of any other sovereign nation or in any other manner then commonly in use in any recognized international securities or commodities market, in any case will not adversely affect the exclusion of interest thereon from gross income of the holders thereof for federal income purposes, the Authority may adopt a Supplement Agreement also providing for the issuance of Assessment Bonds in such form and/or payable in such manner, together with such modifications to this Trust Agreement as are necessary and appropriate for such Series of Assessment Bonds. The Authority may provide in an applicable Supplemental Agreement for the issuance of one or more Series of Assessment Bonds in book-entry form, together with such modifications to this Trust Agreement as are necessary and appropriate for such Series of Assessment Bonds.

7. Interest on Assessment Bonds shall be payable in the manner provided in the Supplemental Agreement authorizing the issuance of such Series, to the person in whose name such Assessment Bonds are registered, as shown on the registry books of the Authority kept for such purpose at the principal corporate trust office of the Trustee, on the close of business on the Record Date (as defined in the applicable Supplemental Agreement).

**302. *Legends.*** The Assessment Bonds of each Series shall contain or have endorsed thereon statements to the effect that the Assessment Bonds are not general obligations of the Authority and the full faith and credit of the Authority are not pledged for the payment of the Assessment Bonds and that neither the Commonwealth nor any political subdivision thereof shall be obligated to pay the principal of, premium or interest on any such Assessment Bond and may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable to comply with custom or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

**303. *CUSIP Numbers.*** In issuing Assessment Bonds the Authority may use “CUSIP” numbers (if then generally in use), and, if so, the Trustee shall use such “CUSIP” numbers in notices of redemption and of the tender of Put Bonds as a convenience to Bondowners, provided that any such notice may state that no representation is made as to the correctness of such number either as printed on such Assessment Bonds or as contained in any notice of redemption or tender, and that any defect in a “CUSIP” number as printed on such Assessment Bonds or as contained in any notice of redemption or of tender shall not affect the validity of the proceedings for redemption or tender.

**304. *Execution and Authentication.***

1. After their authorization by a Supplemental Agreement, Assessment Bonds of a Series may be executed in the name of the Authority by the manual or facsimile signature of the Chairman of the Authority and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of its Treasurer-Controller, or in such other manner as may be permitted by law and by resolution of the Authority. In case any one or more of the officers who shall have signed or sealed any of the Assessment Bonds shall cease to be such officer before the Assessment Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Assessment Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Assessment Bonds had not ceased to hold such offices. Any Assessment Bond of a Series may be signed and sealed on behalf of the Authority by such persons as at the actual time of the execution of such Assessment Bond shall be duly authorized or hold the proper office in the Authority, although at the date borne by the Assessment Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Assessment Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the form of such Assessment Bonds, executed by manual signature by the Trustee. No Assessment Bond shall be entitled to any right or benefit under this Trust Agreement or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Assessment Bond executed on behalf of the Authority shall be conclusive evidence that the Assessment Bond so authenticated has been duly authenticated and delivered under this Trust Agreement and that the Owner thereof is entitled to the benefits of this Trust Agreement.

**305. *Negotiability, Transfer and Registry.***

1. All of the Assessment Bonds shall be negotiable, subject to the provisions for registration and transfer contained in this Trust Agreement and in the Assessment Bonds. So long as any of the Assessment Bonds shall remain Outstanding, the Authority shall maintain and keep, at the principal corporate trust office of the Trustee, books for the registration and transfer of Assessment Bonds; and, upon presentation thereof for such purpose at said office, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Assessment Bond. So long as any of the Assessment Bonds remain Outstanding, the Authority shall make all necessary provision to permit the exchange of Assessment Bonds at the principal office of the Trustee.

2. Each Assessment Bond shall be transferable only upon the books of the Authority, which shall be kept for the purpose at the principal corporate trust office of the Trustee, by the owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the owner or its duly authorized attorney. Upon the transfer of any such Assessment Bond, the Authority shall issue in the name of the transferee a new Assessment Bond or Bonds of the same aggregate principal amount and Series, by lot and maturity as the surrendered Assessment Bond.

3. The Authority and each Fiduciary may deem and treat the person in whose name any Assessment Bond shall be registered upon the books of the Authority as the absolute owner thereof, whether such Assessment Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on such Assessment Bond and for all other purposes, and all such payments so made to any such registered owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Assessment Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary. The Authority agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Trust Agreement, in so treating any such registered owner.

**306. *Regulations with Respect to Exchanges and Transfers.*** In all cases in which the privilege of exchanging Assessment Bonds or transferring Assessment Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Assessment Bonds in accordance with the provisions of this Trust Agreement. All Assessment Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or transfer of Assessment Bonds, whether temporary or definitive, the Authority or the Trustee may, as a condition precedent to the privilege of making such exchange or transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, but may impose no other charge therefor. Neither the Authority nor the Trustee shall be required to transfer or exchange Assessment Bonds of any Series for a period of fifteen days next preceding an interest payment on the Assessment Bonds of such Series or, in the case of any proposed redemption, during the fifteen days next preceding the first publication or mailing of any notice of redemption or to transfer or exchange any Assessment Bonds called for redemption.

**307. *Assessment Bonds Mutilated, Destroyed, Stolen or Lost.*** In case any Assessment Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Trustee shall authenticate and deliver, a new Assessment Bond of like Series, maturity, tenor and principal amount as the Assessment Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Assessment Bond, upon surrender and cancellation of such mutilated Assessment Bond or in lieu of and substitution for the Assessment Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Assessment Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and Trustee may incur. All Assessment Bonds so surrendered to the Trustee shall be canceled by it. Any such new Assessment Bonds issued pursuant to this Section 307 in substitution for Assessment Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Assessment Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Assessment Bonds issued under this Trust Agreement, in any moneys or securities held by the Authority or the Fiduciary for the benefit of the Bondowners.

**308. *Preparation of Definitive Assessment Bonds; Temporary Assessment Bonds.***

1. Until the definitive Assessment Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 304, and, upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Assessment Bonds, but subject to the same provisions, limitations and conditions as the definitive Assessment Bonds except as to the denominations thereof and as to exchangeability for registered Assessment Bonds, as permitted by law, one or more temporary Assessment Bonds substantially of the tenor of the definitive Assessment Bonds in lieu of which such temporary Assessment Bond or Bonds are issued, in denominations authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Assessment Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Assessment Bonds, the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive Assessment Bonds, of the same aggregate principal amount and Series and maturity as the temporary Assessment Bonds surrendered. Until so exchanged, the temporary Assessment Bonds shall in all respects be entitled to the same benefits and security as definitive Assessment Bonds authenticated and issued pursuant to this Trust Agreement.

2. If the Authority shall authorize the issuance of temporary Assessment Bonds in more than one denomination, the Owner of any temporary Assessment Bond or Bonds may, at its option, surrender the same to the Trustee in exchange for another temporary Assessment Bond or Bonds of like aggregate principal amount and Series and maturity of any other authorized denomination or denominations, and thereupon the Authority shall execute and the Trustee shall authenticate and, in exchange for the temporary Assessment Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 306, shall deliver a temporary Assessment Bond or Bonds of like aggregate principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such Owner.

3. All temporary Assessment Bonds surrendered in exchange either for another temporary Assessment Bond or Bonds or for a definitive Assessment Bond or Bonds shall be forthwith canceled by the Trustee.

**ARTICLE IV**

**REDEMPTION OF ASSESSMENT BONDS**

The provisions contained in the following Sections of this Article IV are applicable to each Series of Assessment Bonds, except as may be otherwise set forth in a Supplemental Agreement authorizing any such Series.

**401. *Privilege of Redemption and Redemption Price.*** Assessment Bonds subject to redemption prior to maturity pursuant to a Supplemental Agreement shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms as may be specified in this Trust Agreement or in the Supplemental Agreement authorizing such Series.

**402. *Redemption at the Election of the Authority.*** In the case of any redemption of Assessment Bonds otherwise than as provided in Section 403, the Authority shall give written notice to the Trustee of its election so to redeem, of the redemption date, of the Series, of the principal amounts of the Assessment Bonds of each maturity of such Series to be redeemed and, if applicable, of the amount of each Sinking Fund Installment within each such maturity to be redeemed (which Series, maturities and principal amounts thereof to be redeemed and Sinking Fund Installments shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in any Supplemental Agreement). Such notice shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee.

**403. *Redemption Otherwise Than at Authority Election.*** Whenever by the terms of this Trust Agreement or a Supplemental Agreement, Assessment Bonds are required to be redeemed otherwise than at the election of the Authority, the Authority may subject to the provision of any related Supplemental Agreement select the Series of Assessment Bonds, the principal amounts of the Assessment Bonds of each maturity of such Series to be redeemed and, except in the case of mandatory sinking fund redemption, of the amount of such Sinking Fund Installment, if applicable, within such maturity to be redeemed (which Series, maturities and principal amounts thereof to be redeemed and Sinking Fund Installments shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in this Trust Agreement or a Supplemental Agreement) and in the event the Authority does not notify the Trustee of such Series, maturities and principal amounts to be redeemed on or before the 45th day preceding the redemption date, the Trustee shall select the Assessment Bonds to be redeemed, give the notice of redemption and apply the moneys available therefor to redeem on the redemption date at the Redemption Price therefor, together with accrued interest to the redemption date, all of the Assessment Bonds to be redeemed.

**404. *Selection of Assessment Bonds to be Redeemed.*** In the event of redemption of less than all of the Outstanding Assessment Bonds of like maturity of any Series shall be called for prior redemption, the particular Assessment Bonds or portions of Assessment Bonds to be redeemed shall be selected by the Trustee by lot, or in such other manner as the Trustee in its discretion may deem fair and appropriate subject to any limitation with respect thereto contained in the applicable Supplemental Agreement. For purposes of this Section 404, the minimum denomination of a Capital Appreciation Bond shall be the lowest Accreted Value authorized to be due at maturity on such Assessment Bonds, and the minimum denomination of a Deferred Income Bond shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Assessment Bonds.

**405. *Notice of Redemption.*** Notice of the call for any redemption of Assessment Bonds prior to maturity shall be given as provided in the applicable Supplemental Agreement.

**406. *Payment of Redeemed Assessment Bonds.*** Notice having been given in the manner provided in Section 405, the Assessment Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Assessment Bonds, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for

the redemption of all the Assessment Bonds of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid then, from and after the redemption date interest on the Assessment Bonds of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Assessment Bonds shall continue to bear interest until paid at the same rate as they would have had, had they not been called for redemption.

## ARTICLE V

### MAINTENANCE AND ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

**501. *The Pledge Effected by this Trust Agreement.*** There are hereby pledged for the payment, first, of the Assessment Bonds, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the provisions of this Trust Agreement, subject only to the provisions of this Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions herein and therein set forth: (i) all Pledged Revenues, (ii) Dedicated Payments allocated to Assessment Bonds and interest earnings thereon, (iii) amounts received from the trustee under the Sales Tax Bond Trust Agreement in accordance with Section 504(i) and 506, (iv) the Deficiency Fund and the Capital Maintenance Fund including the investments, if any, thereof, and (v) all Funds and Accounts established by this Trust Agreement (other than the Bond Proceeds Fund while it is held and administered by the Authority and the Rebate Fund) including the investments, if any, thereof.

**502. *Establishment of Funds and Accounts.***

1. The following Funds and Accounts, which shall be held and administered by the Trustee, are hereby established:

- (1) Pledged Revenue Fund;
- (2) Debt Service Fund; and
- (3) Debt Service Reserve Fund.

Amounts held at any time by the Trustee in any of the Funds and Accounts established pursuant to this Section or under the Bond Proceeds Fund pursuant to a Supplemental Agreement shall be held in trust for the Owners of the Assessment Bonds separate and apart from all other funds of the Trustee, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided herein.

2. The following Funds and Accounts, which shall be held and administered by the Authority, are hereby established:

- (1) Bond Proceeds Fund, which shall include the Capital Account and such other Accounts created by Supplemental Agreement; and



(2) Rebate Fund.

Amounts held at any time by the Authority in any of the Funds and Accounts established pursuant to this Section shall not be held in trust for the benefit of the Owners of Assessment Bonds, but shall be disbursed, allocated and applied solely for the uses and purposes provided herein. Additional funds, accounts or subaccounts may be created for other purposes by any Supplemental Agreement. Notwithstanding the foregoing, the Authority by Supplemental Agreement authorizing a Series of Assessment Bonds may designate that one or more Accounts in the Bond Proceeds Fund created by such Supplemental Agreement be held and administered by the Trustee and pledged to the Owners of the Assessment Bonds.

**503. *Bond Proceeds Fund.*** The Authority shall deposit into the Bond Proceeds Fund the net proceeds of all Assessment Bonds, other than Refunding Bonds, issued for direct expenditures to be made by the Authority, which net proceeds shall be in the amount and applied as set forth in the applicable Supplemental Agreement.

**504. *Pledged Revenue Fund and Application Thereof.*** The Authority shall, immediately following the issuance and delivery of any Assessment Bonds hereunder, transfer to the Trustee for payment into the Pledged Revenue Fund all Pledged Revenues as received, except Investment Income required by the terms hereof to be deposited in another Fund or Account. Amounts in the Pledged Revenue Fund shall be deposited in, or credited to, as appropriate, on the last Business Day of each of March, June, September and December, the following Funds and Accounts, in the amounts and in the order and priority, as follows:

(1) Into the Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Net Debt Service (less Investment Income from the Debt Service Fund and the Debt Service Reserve Fund transferred or to be transferred in the current Fiscal Year or retained in the Debt Service Fund) and the fees and charges related to Credit Facilities, Liquidity Facilities, and Qualified Hedge Agreements accrued or accruing through the next succeeding quarter, provided that if amounts in the Pledged Revenue Fund are insufficient to meet such required balance, the Trustee shall draw amounts from the Sales Tax Bond Trust Agreement in accordance with Section 506;

(2) Into the Debt Service Reserve Fund, the amount, if any, required for such Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to subsection 4 of Section 507 and subject to the provisions of subsection 6 of Section 507, to equal the Debt Service Reserve Requirement as of the last day of the then current quarter; provided, however, that the provisions of Section 507 shall govern any replenishment required after a withdrawal from such Fund;

(3) To the Authority for credit to the Rebate Fund, notwithstanding any other provisions of this Article V, such Pledged Revenues at such times and in such amounts as shall be set forth in a certificate of an Authorized Officer;

(4) If the Trustee shall have received a certificate from the trustee under the Sales Tax Bond Trust Agreement in accordance with Section 506 or 508 thereof, to such trustee the amount set forth in such certificate; and

(5) To the Authority, the moneys remaining on deposit in the Pledged Revenue Fund after making the foregoing deposits.

In determining the amounts to be transferred to the Authority for deposit in the Funds and Accounts held by the Authority, the Trustee may rely exclusively on a certificate of an Authorized Officer setting forth such amounts, which certificate shall be timely provided to the Trustee by the Authority.

**505. *Rebate Fund.*** Upon the issuance, sale and delivery of any Series of Assessment Bonds subject to the Rebate Fund Requirement, there shall be established in the Rebate Fund a separate account for such Series. Funds on deposit in the Rebate Fund shall be applied, as set forth in the applicable Supplemental Agreement or a certificate of an Authorized Officer. Unless otherwise specified in the applicable Supplemental Agreement or certificate of an Authorized Officer, interest or other income derived from the investment or deposit of moneys in the Rebate Fund shall be retained in the Rebate Fund.

**506. *Debt Service Fund.***

1. The Trustee shall pay out of the Debt Service Fund to the respective Paying Agents (i) on or before each interest payment date for any of the Assessment Bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment for Assessment Bonds payable on such due date; and (iii) on or before any redemption date for the Assessment Bonds, the amount required for the payment of the Redemption Price of and interest on the Assessment Bonds then to be redeemed; provided, however, that if with respect to any Series of Assessment Bonds or portions thereof the amounts due on any such interest payment date and/or Principal Installment due date and/or redemption date are intended to be paid from a source other than amounts in the Debt Service Fund prior to any application of amounts in the Debt Service Fund to such payments, the Trustee shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and, if any such amounts due are paid from such other source, the Trustee shall apply the amounts in the Debt Service Fund to provide reimbursement for such payment from such other source, as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Fund (i) the accrued interest included in the purchase price of Assessment Bonds purchased for retirement and (ii) upon written instruction of the Authority any fees and charges related to Credit Facilities, Liquidity Facilities and Qualified Hedge Agreements.

2. The amount, if any, deposited in the Debt Service Fund from the proceeds of each Series of Assessment Bonds shall be set aside in such Fund and applied to the payment of interest on Assessment Bonds as provided and the Supplemental Agreement relating to the issuance of such Series of Assessment Bonds.

3. In the event the amount on deposit in the Debt Service Fund shall be less than the requirement of such Fund pursuant to paragraph (1) of Section 504, the Trustee shall provide a certificate to the Authority and the trustee under the Sales Tax Bond Trust Agreement setting forth the amount of the shortfall and shall receive such amount (to the extent available) from the Pledged Revenue Fund under the Sales Tax Bond Trust Agreement in accordance with Sections 504 and 506 thereof.

4. In the event of the refunding of any Assessment Bonds, the Authority may direct the Trustee to withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in a separate account with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Assessment Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter Assessment Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 1004, and (b) the amount remaining in the Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to paragraph (1) of Section 504. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in any Fund or Account under this Trust Agreement; provided, however, that such withdrawal shall not be made unless clauses (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under this Trust Agreement (other than the Fund or Account into which such amount is being transferred).

**507. *Debt Service Reserve Fund.***

1. If on the last Business Day of each quarter the amount in the Debt Service Fund shall be less than the amount required to be in such Fund pursuant to paragraph (1) of Section 504, after deposit of any Funds received from the Sales Tax Bond Trust Agreement in accordance with Section 504 and 506, the Trustee shall transfer to the Debt Service Fund (in such order) amounts from the Debt Service Reserve Fund equal to the deficiency.

2. Whenever the moneys on deposit in the Debt Service Reserve Fund shall exceed the Debt Service Reserve Requirement, such excess may be, in the discretion of the Authority, transferred by the Trustee to the Debt Service Fund or, if approved by an Opinion of Bond Counsel, to any Fund or Account specified by the Authority.

3. Whenever the amount in the Debt Service Reserve Fund, together with the amount in the Debt Service Fund, is sufficient to pay in full all Outstanding Assessment Bonds in accordance with their terms (including principal or applicable Sinking Fund Installments thereof and interest thereon), the amounts on deposit in the Debt Service Reserve Fund may, in the discretion of the Authority, be transferred to the Debt Service Fund. Prior to said transfer, all investments held in the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal or Redemption Price and interest on Assessment Bonds.

4. In lieu of the required deposits and transfers to the Debt Service Reserve Fund or as a replacement or substitution for any moneys or Investment Obligations then on deposit in the Debt Service Reserve Fund, the Authority may at any time cause to be deposited into the Debt Service Reserve Fund for the benefit of the Owners of the Assessment Bonds a surety bond, an insurance policy, a letter of credit or other similar obligation (and may replace such surety bond, insurance policy, letter of credit or similar obligation from time to time) providing for payments in an amount equal to the difference between the Debt Service Reserve Requirement and the sums, if any, then on deposit in the Debt Service Reserve Fund or being deposited in the Debt Service Reserve Fund concurrently with such surety bond, insurance policy, letter of credit or other similar obligation. The surety bond, insurance policy, letter of credit or other similar obligation shall be payable (upon the giving of notice as required thereunder) on any date on which moneys will be required to be withdrawn from the Debt Service Reserve Fund and applied to the payment of a Principal Installment of or interest on any Assessment Bonds and such withdrawal cannot be met by moneys and Investment Obligations on deposit in the Debt Service Reserve Fund. The insurer providing such surety bond or insurance policy shall be an insurer (i) whose municipal bond insurance policies, at the time of issue of such surety bond or insurance policy, insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency or (ii) who holds the highest policy-holder rating accorded Insurers by any Rating Agency. The letter of credit issuer shall be a bank or trust company which at the time of issuance of the letter of credit has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency. If a disbursement is made pursuant to a surety bond, an insurance policy, a letter of credit or other similar obligation provided pursuant to this subsection, the Authority shall be obligated, but only from the sources of payment specified herein, either (i) to reinstate the maximum limits of such surety bond, insurance policy, letter of credit or other similar obligation, (ii) to deposit into the Debt Service Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy, letter of credit or other similar obligation, (iii) to promptly deposit into the Debt Service Reserve Fund a different surety bond, insurance policy, letter of credit or other similar obligations having a maximum limit equal to the amount of the disbursement made under the existing surety bond, insurance policy, letter of credit or other similar obligation, or (iv) to utilize any combination of the alternatives set forth in clauses (i), (ii) or (iii) above as shall provide that the amount in the Debt Service Reserve Fund equals the Debt Service Reserve Requirement. Subject to the provisions of subsection 6 of this Section 508, moneys and Investment Obligations on deposit in the Debt Service Reserve Fund may, if required by the terms of any surety bond, letter of credit or other similar obligation, be utilized by the Authority to repay any drawings on such surety bond, letter of credit or other similar obligation, but only if such repayment will result in a reinstatement of the amount available to be drawn under such surety bond, letter of credit or other similar obligation in an amount at least equal to the amount of such repayment.

5. In the event of the refunding of any Assessment Bonds, the Authority may direct the Trustee to withdraw from the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Assessment Bonds being refunded and deposit such amounts with the Trustee in a separate account to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Assessment Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Assessment Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 1004, and (b) the amount remaining in the Debt Service Reserve Fund, after giving effect to the issuance of any Refunding Bonds and the disposition of the proceeds thereof and to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to subsection 4 of Section 508, shall not be less than the Debt Service Reserve Requirement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in any Fund or Account under this Trust Agreement; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied.

6. Regardless of the provisions of Section 504 hereof, in the event that at any time the amount on deposit in the Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant of subsection 4 of Section 507, shall be less than the Debt Service Reserve Requirement as a result of any withdrawal from said Fund or as a result of the valuation of such Fund performed in accordance with Section 508, the Authority shall restore the amount on deposit in the Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in said Fund pursuant to subsection 4 of Section 507, to the Debt Service Reserve Requirement, in the case of restoration after a withdrawal in twelve (12) equal monthly installments commencing within ninety (90) days of such withdrawal, and in the case of restoration as a result of valuation in six (6) equal monthly installments commencing thirty (30) days after such valuation.

**508. *Investment of Funds.***

1. Amounts in the Funds and Accounts established by Section 502 may be invested by the Trustee at the written direction of the Authority or by the Authority, as the case may be, only in Investment Obligations. To the extent not used to meet the requirement of such Funds and Accounts, income from such Investment Obligations held in the Pledged Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund and in any Account of the Bond Proceeds Fund established by Supplemental Agreement and held by the Trustee shall be credited to the Debt Service Fund; provided, however, that in order to comply with Section 607 hereof the Authority may provide in the Supplemental Agreement authorizing a series of Assessment Bonds that earnings on the Debt Service Fund and Debt Service Reserve Fund, as applicable, shall be transferred to the Capital Account of the Bond Proceeds Fund, to the extent such earnings exceed the amount needed to meet the obligations under Section 504(1). The income from any Investment Obligations in the Rebate Fund and in the Bond Proceeds Fund or in a separate account or sub-account therein shall be held in such Fund, Account or sub-account for the purposes thereof. The Trustee and the Authority shall sell any Investment Obligations held in any Fund or Account to the extent required for payments from such Fund or Account. The

proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or Account to the extent required to meet the requirements of such Fund or Account. In computing the amount of such Funds and Accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Investment Obligation shall be treated as income from such Investment Obligation for purposes of this Section.

2. In making any investment in any Investment Obligations with moneys in any Fund or Account established under this Trust Agreement, the Trustee and the Authority may combine such moneys with moneys in any other Fund or Account held by it, but solely for purposes of making such investment in such Investment Obligations.

3. Nothing in this Trust Agreement shall prevent any Investment Obligations acquired as investments of or security for any Fund or Account held under this Trust Agreement from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

4. Each investment of any moneys in any Fund or Account established under this Trust Agreement shall permit the moneys so deposited or invested to be available for use at the times at which the Authority reasonably believes such moneys will be required for the purposes hereof.

5. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Trust Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person dealing as principal for its own account.

#### **509. *Satisfaction of Sinking Fund Installments.***

1. Any amount accumulated in the Debt Service Fund up to the unsatisfied balance of each respective Sinking Fund Installment may be applied (together with amounts accumulated in such Debt Service Fund with respect to interest on the Assessment Bonds for which such Sinking Fund Installment was established) by the Trustee at the direction of the Authority prior to the forty-fifth day preceding the due date of such Sinking Fund Installment as follows:

(1) to the purchase of Assessment Bonds of the maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the principal amount of such Assessment Bonds plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Authority shall determine; or

(2) to the redemption of such Assessment Bonds if then redeemable by their terms at the price referred to in clause (1) hereof.

All Assessment Bonds so purchased or redeemed shall be delivered to the Trustee for cancellation prior to the forty-fifth day preceding the due date of such Sinking Fund Installment. The principal amount of any Assessment Bonds so purchased or redeemed shall be deemed to

constitute part of the Debt Service Fund until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund.

2. Upon the purchase or redemption of any Assessment Bond pursuant to subsection 1 of this Section 509, an amount equal to the principal amount of the Assessment Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Assessment Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited by the Trustee against future Sinking Fund Installments as specified in a Supplemental Agreement. Concurrently with the delivery of such Assessment Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Assessment Bonds so delivered, (ii) the date of the Sinking Fund Installment in satisfaction of which such Assessment Bonds are so delivered, (iii) the aggregate principal amount of the Assessment Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Assessment Bonds.

3. Upon the purchase or redemption of any Series of Assessment Bonds for which Sinking Fund Installments shall have been established, an amount equal to the principal amount of the Assessment Bonds so purchased or redeemed shall be credited toward future Sinking Fund Installments in such order as the Authority shall determine. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least forty-five days prior to the date of such Sinking Fund Installment, for cancellation, Assessment Bonds purchased or redeemed, except Assessment Bonds purchased or redeemed pursuant to the provisions of subsection 1 of this Section 509, of the Series and maturity entitled to such Sinking Fund Installment. All Assessment Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Assessment Bonds. Concurrently with such delivery of such Assessment Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Assessment Bonds so delivered, (ii) the date of the Sinking Fund Installment in satisfaction of which such Assessment Bonds are so delivered, (iii) the aggregate principal amount of the Assessment Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Assessment Bonds.

4. The Trustee shall, upon receipt of the notice required by Section 403 and in the manner provided in Article IV or in the Supplemental Agreement authorizing the Series of Assessment Bonds of which the Assessment Bonds to be redeemed are part, call for redemption on the date of each Sinking Fund Installment falling due prior to maturity Assessment Bonds of the Series, maturity and interest rate within each maturity for which such Sinking Fund Installment was established (except in the case of Assessment Bonds maturing on a Sinking Fund Installment date) in such amount as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

5. The Trustee shall pay out of the Debt Service Fund as applicable, to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Assessment Bonds so called for redemption (or for the

payment of such Assessment Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Assessment Bonds shall be paid by the Authority.

6. Except as may be otherwise provided with respect to Put Bonds in the Supplemental Agreement providing for the issuance thereof, all Assessment Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Assessment Bonds, together with all Assessment Bonds purchased or redeemed which have been delivered to the Trustee for application as a credit against Sinking Fund Installments, and all Assessment Bonds purchased by the Trustee, shall thereupon be promptly canceled.

**510. *Cancellation of Assessment Bonds Delivered to Paying Agents; Destruction of Assessment Bonds.***

All Assessment Bonds delivered to a Paying Agent for cancellation, for payment at maturity or for redemption shall be delivered to the Trustee for cancellation. The Trustee shall destroy all canceled Assessment Bonds and deliver a certificate of such destruction to the Authority.

## ARTICLE VI

### PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Bondowners as follows:

**601. *Payment of Assessment Bonds.*** The Authority shall duly and punctually pay or cause to be paid the principal or Redemption Price of every Assessment Bond and the interest thereon, at the dates and places and in the manner mentioned in the Assessment Bonds, according to the true intent and meaning thereof, and shall duly and punctually satisfy all Sinking Fund Installments which may be established for any Series. Except as in this Trust Agreement otherwise provided, the principal or Redemption Price of such Assessment Bonds and the interest thereon are payable solely from Pledged Revenues which Pledged Revenues are pledged hereunder to the payment thereof in the manner and to the extent hereinabove particularly specified, and nothing in the Assessment Bonds or in this Trust Agreement shall be construed as obligating the Commonwealth or any political subdivision thereof to pay the Assessment Bonds or the interest thereon except from such Pledged Revenues or as pledging the faith and credit or taxing power of the Commonwealth or of any such political subdivision.

**602. *Extension of Payment of Assessment Bonds.*** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Assessment Bonds or the time of payment of any claims for interest by the purchase or funding of such Assessment Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Assessment Bonds or the time for payment of such claims for interest shall be extended, such Assessment Bonds or claims for interest shall not be entitled, in case of any default under this Trust Agreement, to the benefit of this Trust Agreement or to any payment out of Pledged Revenues or Funds established by this Trust Agreement, including the investments, if any,



thereof, pledged under this Trust Agreement or the moneys (except moneys held in trust for the payment of particular Assessment Bonds or claims for interest pursuant to this Trust Agreement) held by the Fiduciaries, except subject to the prior payment of the principal of all Assessment Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Assessment Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority (i) to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of or time for payment of interest on Assessment Bonds, (ii) to issue Put Bonds or Variable Interest Rate Bonds and neither the issuance nor the operation of the provisions of any such Assessment Bonds shall be deemed to constitute an extension of the maturity of or the time for payments of interest on Assessment Bonds, or (iii) to apply any amount in the General Fund to the purchase or redemption of Assessment Bonds or Bond Anticipation Notes.

**603. *Further Assurance.*** At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Pledged Revenues and other moneys, securities, Funds and Accounts hereby pledged or assigned, or intended so to be, or which the Authority may become bound to pledge or assign.

**604. *Power to Issue Assessment Bonds and Pledge Pledged Revenues and Other Funds.*** The Authority is duly authorized under all applicable laws to create and issue the Assessment Bonds and to adopt this Trust Agreement and to pledge the Pledged Revenues and other moneys, securities and funds purported to be pledged by this Trust Agreement in the manner and to the extent provided in this Trust Agreement. Except to the extent otherwise provided in Section 501, the Pledged Revenues and other moneys, securities, funds and accounts so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Trust Agreement, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Assessment Bonds and the provisions of the Trust Agreement are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of this Trust Agreement. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys, securities, funds and accounts pledged under this Trust Agreement and all the rights of the Bondowners under this Trust Agreement against all claims and demands of all persons whomsoever.

**605. *Dedicated Payments.***

1. In the Authority's discretion, revenues of the Authority which are not Pledged Revenues as defined in this Trust Agreement as initially adopted may be pledged and designated as Dedicated Payments hereunder by resolution of the Authority, provided the conditions in one of the three following sentences of subsection 1 of this Section 605 are satisfied. If such Dedicated Payments are to be received from the United States of America, (a) they must automatically recur without appropriation, approval or other similar action by the United States of America or any agency or instrumentality thereof for so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds and (b) the manner of determining the amounts to be

derived therefrom must not be subject to change or revision during such period. If such Dedicated Payments are to be received from the Commonwealth, they must consist of a payment obligation payable to the Authority pursuant to a statutory or contractual arrangement with the Commonwealth which, in the opinion of Bond Counsel, constitutes a general obligation of the Commonwealth; provided that at the time of entering into such arrangement (a) such arrangement, by its terms, will not terminate so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds and (b) the manner of determining the amounts to be derived from such arrangement is not subject to change or revision during such period. Notwithstanding the source of funding, if the Authority has received a written confirmation from each Rating Agency that its published unenhanced rating of Outstanding Assessment Bonds will not be adversely affected, the Authority may, in its sole discretion, designate any revenues which are not Pledged Revenues as Dedicated Payments.

2. All Dedicated Payments shall be deposited upon receipt in the Debt Service Fund, as determined by such Certificate of an Authorized Officer. The Authority may in its discretion reverse or modify any pledge and designation of Dedicated Revenues by a further resolution and any determination to deposit Dedicated Payments in the Debt Service Fund may be reversed or modified by Certificate of an Authorized Officer, provided that a Certificate of an Authorized Officer shall establish that following any such reversal or modification the Authority will meet the test for incurring \$1 (one dollar) of additional Assessment Bonds set forth in Section 202(5).

#### **606. *Accounts and Reports.***

1. The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of the Funds established by this Trust Agreement, and which shall at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than twenty-five percent (25%) in principal amount of the Assessment Bonds then Outstanding or their representatives duly authorized in writing. The Authority shall cause such books and accounts to be audited annually after the end of its Fiscal Year by an independent public accountant selected by the Authority and shall furnish a copy of the report of such audit to the Trustee. Such report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions hereof and of each Supplemental Agreement; a statement of the Pledged Revenues collected in connection herewith and with each Supplemental Agreement; a statement that the balance in the Debt Service Reserve Fund meet the requirements hereof and of any applicable Supplemental Agreement; and a statement that, in making such audit, no knowledge of any default in the fulfillment of any of the terms, covenants or provisions hereof and of each Supplemental Agreement were obtained, or if knowledge of any such default was obtained, a statement thereof.

2. The reports, statements and other documents required to be furnished by the Authority to the Trustee pursuant to any provisions of this Trust Agreement shall be available for the inspection of Bondowners at the office of the Trustee.

**607. *Tax Covenant.*** The Authority shall take, or require to be taken, such action as may from time to time be required to assure the continued exclusion from the federal gross income of holders of any Series of Assessment Bonds, the interest on which is not includable in

the gross income of the holder thereof for Federal income tax purposes. The Authority shall not permit the investment or application of the proceeds of any Series of Assessment Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes, including any funds considered proceeds within the meaning of section 148 of the Code, to be used to acquire any investment property the acquisition of which would cause such Assessment Bonds to be “arbitrage bonds” within the meaning of said section 148.

**608. *Funding of Deficiency Fund and Capital Maintenance Fund.*** The Authority shall fund the Deficiency Fund and the Capital Maintenance Fund as required under the Authority’s resolution establishing such Funds, and a copy of resolution, and any amendments thereto, shall be filed with the Trustee.

**609. *Condition to Issuance of Bonds Secured by Dedicated Sales Tax.*** So long as there are Assessment Bonds Outstanding under this Trust Agreement, the issuance by the Authority of Sales Tax Bonds or other Authority indebtedness (other than Indebtedness) secured by a pledge of or security interest in and payable from the Dedicated Sales Tax shall be conditioned upon the Authority demonstrating that the issuance of such indebtedness shall not cause the sum of the Assessment Floor Amount plus the Residual Sales Tax divided by the Net Debt Service for Outstanding Assessment Bonds in the then current or any future Fiscal Year to be less than 1.50 for any such Fiscal Year.

**610. *General.***

1. The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and this Trust Agreement.

2. Upon the date of authentication and delivery of any of the Assessment Bonds, all conditions, acts and things required by law and this Trust Agreement to exist, to have happened and to have been performed precedent to and in the issuance of such Assessment Bonds shall exist, shall have happened and shall have been performed and the issue of such Assessment Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the Commonwealth.

3. For the purpose of performing and carrying out the duties imposed on the Authority by this Trust Agreement, the Authority may employ any individual, firm or corporation it deems necessary to fulfill its responsibilities under the Act and this Trust Agreement.

**ARTICLE VII**

**FIDUCIARIES**

**701. *Trustee; Appointment and Acceptance of Duties.*** State Street Bank and Trust Company is appointed Trustee under this Trust Agreement. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Trust Agreement by executing the certificate of authentication endorsed upon the Assessment Bonds, and by executing such

certificate upon any Assessment Bond the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Assessment Bond so authenticated, but with respect to all the Assessment Bonds thereafter to be issued and authenticated by such Trustee, but only, however, upon the terms and conditions set forth in this Trust Agreement.

**702. *Paying Agents; Appointment and Acceptance of Duties.***

1. The Authority may appoint one or more Paying Agents for Assessment Bonds of any Series in the applicable Supplemental Agreement, and the Authority may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 713 for a successor Paying Agent. The Trustee may be appointed as Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Trust Agreement by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

**703. *Responsibilities of Fiduciaries.*** The recitals of fact herein and in the Assessment Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Trust Agreement or of any Assessment Bonds issued thereunder or as to the security afforded by this Trust Agreement, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate on the Assessment Bonds. No Fiduciary shall be under any responsibility or duty with respect to the authentication and delivery of the Assessment Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Authority or for the losses, fees, taxes or other charges incurred upon the purchase, sale or redemption of any securities purchased for or held in any Fund, Account or Subaccount under this Trust Agreement. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, bad faith or willful misconduct. Prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee. No provision of this Trust Agreement shall require any Fiduciary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. No Fiduciary shall be under any responsibility or duty with respect to any certificate, report or opinion delivered to it hereunder except to examine it to determine that it conforms to the provisions hereof.

**704. *Evidence on Which Fiduciaries May Act.***

1. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Authority, and the opinion of

such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Trust Agreement in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Trust Agreement, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Trust Agreement upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

3. Except as otherwise expressly provided in this Trust Agreement, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

4. Each Fiduciary may exercise any of the trusts or powers which it is entitled to exercise hereunder either directly or by or through agents or attorneys.

5. The Trustee shall not be deemed to have notice of any default or Event of Default (other than an Event of Default under subsection (a) or (b) of Section 1001) unless a responsible officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the principal corporate trust office of the Trustee, and such notice references the Assessment Bonds and this Trust Agreement.

**705. Compensation.** The Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under this Trust Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Trust Agreement. The Authority further agrees to indemnify and save each Fiduciary harmless against any liability, loss, cost, damage and expense, including reasonable attorneys fees and expenses in defending against any claim, whether asserted by the Authority, a holder of an Assessment Bond or any other person, which it may incur in connection with its appointment hereunder or in the exercise and performance of its powers and duties hereunder and which are not due to its willful misconduct, negligence or bad faith. Amounts payable under this Section 705 shall be paid from the Bond Proceeds Fund or from general funds of the Authority. The provisions of this Section 705 shall survive the termination of this Trust Agreement.

**706. Certain Permitted Acts.** Any Fiduciary may become the Owner of any Assessment Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners or to effect or aid in any reorganization growing out of the enforcement of the Assessment Bonds or this Trust Agreement, whether or not any such

committee shall represent the Owners of a majority in principal amount of the Assessment Bonds then Outstanding.

**707. *Resignation of Trustee.*** The Trustee may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving not less than 30 days' written notice to the Authority and the registered owners of the Assessment Bonds; provide, that if at the time any of the Assessment Bonds shall be in unregistered form, then there shall be published, at the Trustee's expense, a notice of such resignation, specifying the date when such resignation shall take effect, once in each week for two successive calendar weeks in an Authorized Newspaper. Such resignation shall take effect upon the day specified in such notice, provided a successor shall have been appointed and shall have accepted its duties as successor Trustee, unless previously a successor shall have been appointed by the Authority or the holders of any Assessment Bonds as provided in Section 709, in which event such resignation shall take effect immediately on the appointment of such successor and its acceptance of its duties as successor Trustee.

**708. *Removal of Trustee.*** The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Assessment Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Assessment Bonds held by or for the account of the Authority. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Authority or the holders of not less than 25% in aggregate principal amount of Assessment Bonds Outstanding. Notwithstanding the foregoing provisions, at the end of the fifth Fiscal Year following the Fiscal Year in which the first series of Assessment Bonds is issued hereunder, and at the end of every fifth Fiscal Year thereafter, the Authority may remove the Trustee, except during the existence of an Event of Default, upon 120 days' written notice to the trustee by filing with the Trustee an instrument signed by an Authorized Representative of the Authority. No removal hereunder shall take effect until a successor Trustee has been appointed. A copy of each instrument or order providing for the removal of the Trustee, or any successor thereof, shall be delivered by the Authority to the Trustee or such successor thereof.

**709. *Appointment of Successor Trustee.***

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Authority by a duly executed written instrument signed by an Authorized Officer, but if the Authority does not appoint a successor Trustee within thirty (30) days, then by the Owners of a majority in principal amount of the Assessment Bonds then Outstanding, excluding any Assessment Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondowners or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee. The Authority shall promptly mail notice of any such appointment made by it or such Bondowners to the registered owners of Assessment Bonds then Outstanding.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 707 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Owner of any Assessment Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section 709 in succession to the Trustee shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having a capital and surplus aggregating at least \$100,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement.

**710. *Transfer of Rights and Property to Successor Trustee.*** Any successor Trustee appointed under this Trust Agreement shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Trust Agreement, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed,

acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

**711. *Merger or Consolidation.*** Any company into which any Fiduciary 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 any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and, in the case of any successor Trustee, shall meet the requirements of Paragraph 3 of Section 709, in the case of a successor Paying Agent, shall meet the requirements of Paragraph 1 of Section 713 and shall be authorized by law to perform all the duties imposed upon it by this Trust Agreement, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act. At the request of the Authority, any such successor shall provide reasonable evidence of its compliance with the provisions of this Section 711.

**712. *Adoption of Authentication.*** In case any of Assessment Bonds contemplated to be issued under this Trust Agreement shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Assessment Bonds and deliver such Assessment Bonds so authenticated; and in case any of the said Assessment Bonds shall not have been authenticated, any successor Trustee may authenticate such Assessment Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Assessment Bonds or in this Trust Agreement provided that the certificate of the Trustee shall have.

**713. *Resignation or Removal of Paying Agent and Appointment of Successor.***

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving at least 30 days' written notice to the Authority, the Trustee, and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority. Any successor Paying Agent shall be appointed by the Authority, with the approval of the Trustee, and (subject to the requirements of Section 702) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having a capital and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement.

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



## ARTICLE VIII

### SUPPLEMENTAL AGREEMENTS

**801. *Supplemental Agreements Not Requiring Consent of Bondowners.*** The parties to this Trust Agreement may without the consent of, or notice to, any of the holders of the Assessment Bonds enter into agreements supplemental to this Trust Agreement as shall not, in their opinion, be inconsistent with the terms and provisions of this Trust Agreement for any one or more of the following purposes and at any time or from time to time:

(a) to close this Trust Agreement against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Trust Agreement on, the authentication and delivery of Assessment Bonds;

(b) to add to the covenants and agreements of the Authority in this Trust Agreement other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with this Trust Agreement as theretofore in effect including any covenants necessary for compliance with the Code, including without limitation section 148(f) thereof or regulations promulgated thereunder;

(c) to add to the limitations and restrictions in this Trust Agreement other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Trust Agreement as theretofore in effect;

(d) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Trust Agreement, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in this Trust Agreement;

(e) to authorize Assessment Bonds of a Series and, in connection therewith specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Assessment Bonds which are not contrary to or inconsistent with this Trust Agreement as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Assessment Bonds including, without limiting the generality of the foregoing, provisions amending or modifying this Trust Agreement to provide for the issuance of Assessment Bonds in book-entry form or in coupon form payable to bearer;

(f) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Trust Agreement, of the Pledged Revenues or of any other moneys, securities or funds;

(g) to modify any of the provisions of this Trust Agreement in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Assessments Bonds of any Series affected by the amendment Outstanding at the date of the execution and delivery of such Supplemental Agreement shall cease to be Outstanding, and (ii) such Supplemental Agreement shall be specifically referred to in the text of all Assessment

Bonds of any Series authenticated and delivered after the date of the execution and delivery of such Supplemental Agreement and of Assessment Bonds issued in exchange therefor or in place thereof;

(h) to modify the definition of Investment Obligations as directed by the Authority, provided that the Authority shall have provided evidence to the Trustee that the details of such modification have been provided in writing to each Rating Agency then assigning a rating on Outstanding Assessment Bonds and that each such Rating Agency has either (i) confirmed in writing that such modification will not adversely affect such ratings or (ii) issued a rating on a Series of Assessment Bonds to be issued which is not lower than the rating assigned by such Rating Agency to Outstanding Assessment Bonds prior to such modification, or any other evidence satisfactory to the Trustee that modification will not adversely affect the then current ratings, if any, assigned to the Assessment Bonds by any Rating Agency;

(i) to subject to the lien of this Trust Agreement additional revenues, security or collateral;

(j) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Trust Agreement;

(k) to insert such provisions clarifying matters or questions arising under this Trust Agreement as are necessary or desirable and are not contrary to or inconsistent with this Trust Agreement as theretofore in effect;

(l) to authorize the issuance of bonds, notes or any other obligation entitled to a lien on Pledged Revenues or the Funds and Accounts hereunder in accordance with Section 206; or

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

**802. *Supplemental Agreements Effective with Consent of Bondowners.*** At any time or from time to time, a Supplemental Agreement may be adopted subject to consent by Bondowners in accordance with and subject to the provisions of Article IX, which Supplemental Agreement, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of said Article IX, shall become fully effective in accordance with its terms as provided in said Article IX.

**803. *General Provisions.***

1. This Trust Agreement shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article VIII and Article IX. Nothing in this Article VIII or Article IX contained shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 603 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in this Trust Agreement it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Agreement referred to and permitted or authorized by Sections 801 and 802 may be entered into by the Authority without the consent of any of the Bondowners, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. No Supplemental Agreement shall be effective unless or until there has been filed with the Trustee an Opinion of Bond Counsel to the effect that the Authority has the right and power under the Act and this Trust Agreement to adopt the Supplemental Agreement and this Trust Agreement as so supplemented has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for this Trust Agreement is then required; provided that such Opinion of Bond Counsel may take an exception on account of the laws of bankruptcy, reorganization and insolvency and of other laws affecting creditors' rights generally and to the exercise of judicial discretion in accordance with several equitable principles.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Agreement referred to and permitted or authorized by Sections 801 or 802 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be an Opinion of Bond Counsel) that such Supplemental Agreement is authorized or permitted by the provisions of this Trust Agreement.

4. No Supplemental Agreement shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

## ARTICLE IX

### AMENDMENTS

**901. *Mailing and Publication.*** Any provision in this Article for the mailing of a notice or other paper to Bondowners shall be fully complied with if it is mailed, first-class mail, postage prepaid, (i) to each registered Owner of Assessment Bonds then Outstanding at its address, if any, appearing upon the registry books and (ii) to the Trustee.

**902. *Powers of Amendment.*** Any modification or amendment of this Trust Agreement and of the rights and obligations of the Authority and of the Owners of the Assessment Bonds hereunder may be made by a Supplemental Agreement, with the written consent given as provided in Section 903, (i) of the Owners of at least a majority in principal amount of the Assessment Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Assessment Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount of the Assessment Bonds of the several Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Assessment Bonds of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Assessment Bonds shall not be required and such Assessment Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Assessment Bonds under this Section. No such modification or amendment shall

permit a change in the terms of redemption or maturity of the principal of any Outstanding Assessment Bond or of any installment of interest thereon or a reduction in the principal amount, Accreted Value or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Assessment Bond, or shall reduce the percentages or otherwise affect the classes of Assessment Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Trust Agreement if the same adversely affects or diminishes the rights of the Owners of Assessment Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, Assessment Bonds of any particular Series or maturity would be affected by any modification or amendment of this Trust Agreement. Any such determination may be based upon the written advice of Bond Counsel, if so requested by the Trustee, and shall be binding and conclusive on the Authority and all Owners of Assessment Bonds. For purposes of this Section, the Owners of the Assessment Bonds may include the initial holders thereof, regardless of whether such Assessment Bonds are being held for immediate resale.

**903. *Consent of Bondowners.*** The parties hereto may at any time enter into a Supplemental Agreement making a modification or amendment permitted by the provisions of Section 902, to take effect when and as provided in this Section. A copy of such Supplemental Agreement (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondowners for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Bondowners and, if at the time any of the Assessment Bonds is in coupon form payable to the bearer, shall be published in the Authorized Newspapers at least once a week for two consecutive weeks (but failure to mail such copy and request shall not affect the validity of the Supplemental Agreement when consented to as in this Section 903 provided). Such Supplemental Agreement shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Owners of the percentages of Outstanding Assessment Bonds specified in Section 902 and (b) a Counsel's Opinion stating that such Supplemental Agreement has been duly and lawfully executed and delivered by the Authority and filed in accordance with the provisions of this Trust Agreement, is authorized or permitted by this Trust Agreement, is authorized and permitted hereby and is valid and binding upon the Authority, and (ii) a notice shall have been published as hereinafter in this Section 903 provided. The Authority may fix a record date for purposes of determining Bondowners entitled to consent to a proposed Supplemental Agreement. Any such consent shall be binding upon the Owner of the Assessment Bonds giving such consent and, anything in Section 1004 to the contrary notwithstanding, upon any subsequent Owner of such Assessment Bonds and of any bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof). At any time after the Owners of the required percentages of Assessment Bonds shall have filed their consents to the Supplemental Agreement, the Trustee shall make and file with the Authority and the Trustee a written statement that the Owners of such required percentages of Assessment Bonds have filed their consents. Such written statement shall be conclusive evidence that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Agreement (which may be referred to as a Supplemental Agreement entered into on or as of a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of Assessment Bonds and will be effective as provided in this Section 903, may be given to Bondowners by the Authority by mailing such notice to such

Bondowners and, if at the time any of such Assessment Bonds is in coupon form payable to bearer, by publishing the same in the Authorized Newspaper at least once not more than ninety days after holders of the required percentages of Assessment Bonds shall have filed their consents to this Supplemental Agreement and the written statement of the Trustee hereinabove provided for is filed. The Authority shall file with the Trustee proof of the giving of such notice. A record, consisting of the papers required or permitted by this Section 903 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Agreement making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Owners of all Assessment Bonds upon the filing with the Trustee of the proof of the giving of such last mentioned notice.

**904. *Modifications by Unanimous Consent.*** Notwithstanding anything contained in Article VIII or in the foregoing provisions of this Article IX, the terms and provisions of this Trust Agreement and the rights and obligations of the Authority and of the Owners of the Assessment Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Agreement and the consent of the Owners of all of the Assessment Bonds then Outstanding, such consent to be given as provided in Section 903 except that no notice to Bondowners either by mailing or publication shall be required, but no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondowners.

**905. *Exclusion of Assessment Bonds.*** Assessment Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Assessment Bonds provided for in this Article IX or Article X, and the Authority shall not be entitled with respect to such Assessment Bonds to give any consent or take any other action provided for in this Article IX. At the time of any consent or other action taken under this Article IX, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Assessment Bonds so to be excluded.

**906. *Notation on Assessment Bonds.*** Assessment Bonds authenticated and delivered after the effective date of any action taken as in Article VIII or this Article IX provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Owner of any Assessment Bond Outstanding at such effective date and presentation of his Assessment Bond for the purpose at the principal office of the Trustee suitable notation shall be made on such Assessment Bond by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Assessment Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Owner of any Assessment Bond then Outstanding shall be exchanged, without cost to such Bondowner, for Assessment Bonds of the same Series and maturity then Outstanding, upon surrender of such Assessment Bonds.

## ARTICLE X

### MISCELLANEOUS

**1001. *Events of Default.*** The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

(1) The Authority shall fail to make payment of the principal and of any Assessment Bonds when the same shall become due and payable, either at maturity or scheduled redemption; or

(2) The Authority shall fail to make payment of any installment of interest on any Assessment Bonds when the same shall become due and payable; or

(3) The Authority shall default in the observance or performance of any other covenants or agreements on the part of the Authority contained in this Trust Agreement, and such default shall continue for ninety (90) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Assessment Bonds then Outstanding.

#### **1002. *Remedies.***

1. Upon the occurrence and during the continuation of any Event of Default specified in Section 1001, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Assessment Bonds then Outstanding hereunder shall proceed to protect and enforce its rights and the rights of the Bondowners under the laws of the Commonwealth or under this Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board of officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. The Trustee shall not be required to take any remedial action (other than the giving of notice) unless indemnity satisfactory to the Trustee is furnished for any liability to be incurred thereby.

2. In the enforcement of any remedy under this Trust Agreement the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal, interest or otherwise under any of the provisions of this Trust Agreement on the Assessment Bonds and unpaid, with interest on overdue payments of principal at the rate or rates of interest specified in such Assessment Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Assessment Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and to recover and enforce judgment or decree against the Authority, but solely as provided herein and in such Assessment Bonds, for any portion of such amount remaining unpaid, and interest, costs and expenses as above provided,

and to collect (but solely from moneys in the Funds and Accounts available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

3. No remedy available under the provisions of this Trust Agreement shall be permitted to modify, alter, amend or rescind in any particular any priority provided by this Trust Agreement for any Series of Assessment Bonds over any other Series of Assessment Bonds.

4. The Bondowners and the Trustee acting for the Bondowners shall be entitled to all of the rights and remedies provided in the Act and to all of the rights and remedies otherwise provided or permitted by law.

5. No default under any resolution, agreement, or other instrument other than this Trust Agreement, shall constitute or give rise to a default under this Trust Agreement.

6. Upon the happening and continuance of any Event of Default, neither the Trustee nor the Bondowners shall have the right to declare the principal of any Assessment Bonds then Outstanding, or the interest accrued thereon, to be due and payable prior to its stated maturity.

**1003. *Application of Pledged Revenues and Other Moneys After Default***

1. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over to cause to be paid over to the Trustee (i) forthwith, any moneys, securities and funds then held by the Authority or a Depository in any Fund, Account or Subaccount under this Trust Agreement (excluding the Rebate Fund) and (ii) as promptly as practicable after receipt thereof, the Pledged Revenues. To the extent that the allocation of such moneys, securities, funds and Pledged Revenues is not otherwise provided for in this Trust Agreement, the Trustee shall establish and deposit the same into a separate Account in the Debt Service Fund.

2. During the continuation of an Event of Default, all Pledged Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the registered holders of the Assessment Bonds (including without limitation deposits to the Rebate Fund sufficient to fund any unfunded anticipated liability of the Authority under section 148 of the Code relating to the Assessment Bonds) and payment of reasonable fees and charges and expenses of the Trustee (including without limitation reasonable fees and disbursements of its counsel) incurred in and in connection with the performance of its powers and duties under this Trust Agreement.

(b) To the payment of the principal of and interest then due on the Assessment Bonds upon presentation of the Assessment Bonds to be paid (and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement, as follows:

(i) Unless the principal of all of the Assessment Bonds shall have become due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, ratably, according to the amounts of interest due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Assessment Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Assessment Bonds, and, if the amount available shall not be sufficient to pay in full all the Assessment Bonds, together with such interest, ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference;

(ii) If the principal of all of the Assessment Bonds shall have become due and payable (but without implying any right to accelerate the payment of such principal as a remedy upon the occurrence of an Event of Default), to the payment of the principal and interest then due and unpaid upon the Assessment Bonds, with interest on the overdue principal at the rate borne by the Assessment Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

The provisions of this Section 1003 are in all respects subject to the provisions of Section 602.

#### **1004. *Defeasance.***

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Assessment Bonds then Outstanding, the principal and interest and Redemption Price to become due thereon, at the times and in the manner stipulated therein and in this Trust Agreement, then, at the option of the Authority, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Authority to the Bondowners shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Authority all money, securities and funds held by them pursuant to this Trust Agreement which are not required for the payment or redemption of Assessment Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, to the Owners of any Outstanding Assessment Bonds the principal or Redemption Price and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Trust Agreement, such Assessment Bonds shall cease to be entitled to any lien, benefit or security under this Trust Agreement, and all covenants, agreements and obligations of the Authority to the Owners of such Assessment Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other



provision of this Trust Agreement, the provisions of the following Sections of this Trust Agreement shall survive such cessations, termination, voidance, discharge and satisfaction: Article III and IV; and Sections 509, 701, 702, 709 and 713 (in the case of each of the foregoing Sections, such survival shall continue only until such Assessment Bonds are in fact paid), and Section 705.

2. Assessment Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section 1004. Subject to the provisions of subsections 3 through 7 of this Section 1004, any Outstanding Assessment Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section 1004 if (a) in case any of said Assessment Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions accepted in writing by the Trustee to mail as provided in Article IV of this Trust Agreement notice of redemption of such Assessment Bonds (other than Assessment Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to subsection 3 of Section 508) in an amount which shall be sufficient, or Investment Obligations (as hereafter defined in this paragraph 2) including any Investment Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States the principal of and interest on which when due will provide moneys which, 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 Assessment Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Assessment Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Assessment Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day on the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Trustee and that said Assessment Bonds are deemed to have been paid in accordance with this Section 1004 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsections 7 and 8 of this Section 1004, to be available for the payment of the principal or Redemption Price, if applicable, on said Assessment Bonds (other than Assessment Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to Assessment Bonds which constitute less than all of the Outstanding Assessment Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Assessment Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 1004 to the retirement of said Assessment Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Assessment Bonds, all in the manner provided in this

Trust Agreement. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of Assessment Bonds deemed to have been paid in accordance with this Section 1004 which are not to be redeemed prior to their maturity date or (ii) prior to the time of the mailing of the notice referred to in clause (a) above with respect to any Assessment Bonds deemed to have been paid in accordance with this Section 1004 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect to such Assessment Bonds and redeem or sell Investment Obligations so deposited with the Trustee and apply the proceeds thereof to the purchase of such Assessment Bonds as arranged and directed by the Authority and the Trustee shall immediately thereafter cancel all such Assessment Bonds so purchased; provided, however, that the moneys and Investment Obligations remaining on deposit with the Trustee after the purchase and cancellation of such Assessment Bonds shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all remaining Assessment Bonds, in respect of which such moneys and Investment Obligations are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be.

If, at any time (i) prior to the maturity date of Assessment Bonds deemed to have been paid in accordance with this Section 1004 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Assessment Bonds deemed to have been paid in accordance with this Section 1004 which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Assessment Bonds and deliver such Assessment Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Assessment Bonds so delivered; such delivery of Assessment Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Assessment Bonds are to be applied against the obligation of the Trustee to pay or redeem Assessment Bonds deemed paid in accordance with this Section 1004. The directions given by the Authority to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Assessment Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Assessment Bonds deemed paid in accordance with this Section 1004 upon their maturity date or dates and the portion, if any, of such Assessment Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Assessment Bonds paid in accordance with this Section 1004 on any date or dates prior to their maturity.

In the event that on any date as a result of any purchases, acquisitions and cancellations of Assessment Bonds as provided in this Section 1004 or for any other reason, the total amount of moneys and Investment Obligations remaining on deposit with the Trustee under this Section 1004 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Assessment Bonds in order to satisfy clause (b) of this subsection 2 of Section 1004, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security, interest, pledge or assignment securing said Assessment Bonds or otherwise existing under this Trust Agreement. Except as otherwise provided in subsection 2 of this Section 1004 and in subsection 3 through subsection 8 of this Section 1004, neither Investment Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than, and shall be

held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Assessment Bonds; provided that any cash received from such principal or interest payment on such Investment Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Assessment Bonds or otherwise existing under this Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Assessment Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Assessment Bonds or otherwise existing under this Trust Agreement. For the purposes of this Section, Investment Obligations shall mean and include only (x) such securities as are described in clauses (i), (iv) (to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating Agency), (v) and (vii) of the definition of “Investment Obligations” in Section 101 which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof, (y) such securities as are described in clause (ii) of the definition of Investment Obligations which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Owner thereof, or (z) upon compliance with the provisions of subsection 5 of this Section 1004, such securities as are described in clauses (i), (iv) to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating Agency, (v) or (vii) of the definition of Investment Obligations which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Investment Obligations and moneys, if any, in accordance with the second sentence of subsection 2 of Section 1004, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the second sentence of subsection 2 of Section 1004, the Trustee shall, if requested, by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing the Assessment Bonds or otherwise existing under this Trust Agreement.

4. Put Bonds shall be deemed to have been paid in accordance with the second sentence of subsection 2 of Section 1004 only if, in addition to satisfying the requirements of clauses (a) and (c) of such sentence, there shall have been deposited with the Trustee moneys (including moneys withdrawn and deposited pursuant to Sections 508) in an amount which shall

be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Assessment Bonds which could become payable to the Owners of such Assessment Bonds upon the exercise of any options provided to the Owner of such Assessment Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to subsection 2 of this Section, the options originally exercisable by the Owner of a Put Bond are no longer exercisable, such Assessment Bond shall not be considered a Put Bond for purposes of this subsection 4. If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Put Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing said Assessment Bonds or otherwise existing under this Trust Agreement.

5. Investment Obligations described in clause (z) of subsection 2 of Section 1004 may be included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 1004 only if the determination as to whether the moneys and Investment Obligations to be deposited with the Trustee in order to satisfy the requirements of such clause (b) would be sufficient to pay when due either on the maturity date thereof or, in the case of any Assessment Bonds to be redeemed prior to the maturity date thereof, on the redemption date or dates specified in any notice of redemption to be mailed by the Trustee or in the instructions to mail a notice of redemption provided to the Trustee in accordance with subsection 2 of Section 1004, the principal and Redemption Price, if applicable, and interest on the Assessment Bonds which will be deemed to have been paid as provided in subsection 2 of Section 1004 is made both (i) on the assumption that the Investment Obligations described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Obligations would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Obligations and that the proceeds of such redemption would not be reinvested by the Trustee.

6. In the event that after compliance with the provisions of subsection 5 of Section 1004 the Investment Obligations described in clause (z) of subsection 2 of Section 1004 are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 1004 and any such Investment Obligations are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority, provided that the aggregate of the moneys and Investment Obligations to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Authority in accordance with subsection 7 of Section 1004, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of Section 1004, shall reinvest the proceeds of such redemption in Investment Obligations.

7. In the event that after compliance with the provisions of subsection 5 of Section 1004 the Investment Obligations described in clause (z) of subsection 2 of Section 1004 are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 1004, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect

of all or any portion of the Assessment Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Assessment Bonds deemed to have been paid in accordance with this Section 1004 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Obligations described in clause (z) of subsection 2 of the Section 1004 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Obligations on deposit with the Trustee including any Investment Obligations deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 6 of Section 1004 pursuant to clause (b) of subsection 2 of Section 1004 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Assessment Bonds deemed to have been paid in accordance with subsection 2 of Section 1004 which have not as yet been paid.

8. Anything in this Trust Agreement to the contrary notwithstanding, unless waived by the Authority at the time Assessment Bonds are deemed to have been paid in accordance with this Section 1004, at any time prior to the actual mailing of any applicable notice of redemption any redemption date or dates in respect of all or any portion of the Assessment Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and redemption dates may be established for any Assessment Bonds deemed to have been paid in accordance with this Section 1004 upon their maturity date or dates; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Obligations on deposit with the Trustee including any Investment Obligations deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 6 of Section 1004 pursuant to clause (b) of subsection 2 of Section 1004 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Assessment Bonds deemed to have been paid in accordance with subsection 2 of Section 1004 which have not as yet been paid.

9. The Authority agrees that it will take no action in connection with any of the transactions referred to in this Section 1004 which will cause any Assessment Bonds to be “Arbitrage Bonds” within the meaning of Section 148(a) of the Code and the regulations thereunder in effect on the date of the transaction and applicable to the transaction.

10. Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Assessment Bonds which remain unclaimed for three years (or such other period as may from time to time be prescribed by the laws of the Commonwealth, provided that if no period is so prescribed, such period shall be three years) after the date when such Assessment Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Assessment Bonds became due and payable,

shall automatically revert from the Fiduciary to the Commonwealth once the Fiduciary has complied with the publication and reporting requirements as prescribed in accordance with the laws of the Commonwealth; provided, however, if no provision of Commonwealth law shall require that such funds be paid to the Commonwealth, such moneys shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Commonwealth, if paid to the Commonwealth, or the Authority, if paid to the Authority, for the payment of such Assessment Bonds.

**1005. Evidence of Signatures of Bondowners and Ownership of Assessment Bonds.**

1. Any request, consent, revocation of consent or other instrument which this Trust Agreement may require or permit to be signed and executed by the Bondowners may be in one or more instruments of similar tenor, and shall be signed or executed by such Assessment Bondowners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Assessment Bonds shall be sufficient for any purpose of this Trust Agreement (except as otherwise therein expressly provided) if made in the manner set forth in subsection 2 below, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

2. The fact and date of the execution by any Bondowner or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, or on behalf of such a corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his or her authority.

3. The ownership of registered Assessment Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained for the Assessment Bonds by the Trustee on behalf of the Authority.

4. Any request or consent by the owner of any Assessment Bond shall bind all future owners of such Assessment Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

**1006. Moneys Held for Particular Assessment Bonds.** The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Assessment Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Assessment Bonds entitled thereto.

**1007. Preservation and Inspection of Documents.** All documents received by any Fiduciary under the provisions of this Trust Agreement shall be retained in its possession and

shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Bondowner and their agents and their representatives, any of whom may make copies thereof.

**1008. *Parties Interested Herein.*** Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries and the Owners of the Assessment Bonds, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, and the Owners of the Assessment Bonds. In addition, no duty, obligation or standard of action or behavior imposed upon or assumed by the Authority hereunder shall be or shall be construed to be for the benefit of any party other than the Authority or the fiduciaries or the Owners of the Assessment Bonds in their capacity as such.

**1009. *No Recourse on the Assessment Bonds.*** No recourse shall be had for the payment of the principal of or interest on the Assessment Bonds or for any claim based thereon or on this Trust Agreement against any member or officer of the Authority or any person executing the Assessment Bonds.

**1010. *Publication of Notice.*** Any publication to be made under the provisions of this Trust Agreement in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in different Authorized Newspapers.

**1011. *Successors and Assigns.*** Whenever in this Trust Agreement the Authority is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Authority shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

**1012. *Severability of Invalid Provisions.*** If any one or more of the covenants or agreements provided in this Trust Agreement on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Trust Agreement.

**1013. *Notices.*** Except as otherwise provided herein, any notices, directions or other instruments required to be given or delivered pursuant hereto or to any Supplemental Agreement shall be in writing and shall be delivered by hand against the written receipt therefor or sent by registered or certified mail addressed: in the case of the Authority, to it to the attention of the Authority's Treasurer-Controller, with copies to the Authority's Chief Financial Officer and General Counsel, in each case, at the Massachusetts Bay Transportation Authority, State Transportation Building, 10 Park Plaza, Boston, Massachusetts 02116; in the case of the Trustee, addressed to it at the principal corporate trust office of the Trustee at State Street Bank and Trust Company, 2 Avenue de Lafayette, 6<sup>th</sup> Floor, Boston, Massachusetts 02111-1724, Attention: Corporate Trust Department; or, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons.

**1014. *Headings.*** Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

**1015. *Governing Laws.*** This Trust Agreement shall be governed by and construed in accordance with the laws of the Commonwealth.



IN WITNESS WHEREOF, the parties hereto have each caused this Trust Agreement to be executed by its duly authorized officer as of the date first above written.

MASSACHUSETTS BAY TRANSPORTATION  
AUTHORITY

By: \_\_\_\_\_  
Deputy General Manager and  
Chief Financial Officer

MASSACHUSETTS BAY TRANSPORTATION  
AUTHORITY

By: \_\_\_\_\_  
Treasurer-Controller

STATE STREET BANK AND TRUST COMPANY,  
as Trustee

By: \_\_\_\_\_  
Title: Authorized Officer

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