

EXECUTION COPY

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SECOND SUPPLEMENTAL TRUST AGREEMENT  
PROVIDING FOR THE ISSUANCE OF  
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY  
TAX EXEMPT COMMERCIAL PAPER  
SALES TAX BOND ANTICIPATION NOTES  
SERIES A

Dated as of January 1, 2001

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**SECOND SUPPLEMENTAL TRUST AGREEMENT  
PROVIDING FOR THE ISSUANCE OF  
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY  
TAX EXEMPT COMMERCIAL PAPER  
SALES TAX BOND ANTICIPATION NOTES  
SERIES A**

**THIS SUPPLEMENTAL TRUST AGREEMENT** dated as of January 1, 2001, by and between the Massachusetts Bay Transportation Authority (the "Authority"), a body politic and corporate and a political subdivision of The Commonwealth of Massachusetts (the "Commonwealth") duly created by Chapter 161A of Massachusetts General Laws, and State Street Bank and Trust Company, a Massachusetts trust company, as trustee (together with any successor, the "Trustee").

**WITNESSETH**

**WHEREAS**, the Authority has determined that it is necessary and desirable at this time to authorize the issuance of a series of Bond Anticipation Notes pursuant to the Act and the Sales Tax Bond Trust Agreement dated as of July 1, 2000 (as supplemented to the date hereof, the "Trust Agreement"), by and between the Authority and the Trustee to provide funding for capital projects and to refinance a portion of debt service due on outstanding bonds or notes, such Bond Anticipation Notes to be in anticipation of a series of Authority Sales Tax Bonds, the terms of which shall be set forth in a Supplemental Trust Agreement entered into at the time of issuance of Sales Tax Bonds issued to repay the Notes; and

**WHEREAS**, in order to enhance the marketability of the Notes the Authority has determined that a letter of credit or liquidity facility ("Facility") shall be issued which will permit the Issuing and Paying Agent to draw certain amounts in order to pay the principal of and interest on the Notes as provided herein and in such Facility; and

**WHEREAS**, the Authority has determined that the Notes shall be issued under the Trust Agreement as Sales Tax Bond Anticipation Notes. Pursuant to Section 205 of the Trust Agreement, the Authority may issue Senior Sales Tax Bonds or Subordinated Sales Tax Bonds to repay the Notes.

**NOW, THEREFORE**, in consideration of the material agreements herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Authority and the Trustee hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

**Section 101. Definitions.**

(a) Capitalized terms used herein and not otherwise defined shall have the respective meanings accorded such terms in the Trust Agreement.

(b) In the case of a Bank Bond issued to evidence an obligation to the Bank in connection with the Notes, such Bank Bond is referred to herein as a "Bank Note".

(c) The following terms shall have the following meanings herein unless the context otherwise requires:

**Authority** shall have the meaning set forth in the first paragraph hereof.

**Authorized Officer** shall mean the General Manager or the Deputy General Manager and Chief Financial Officer of the Authority, anyone duly authorized to act in such capacity and any other officer or employee of the Authority authorized by resolution of the Authority to perform the act or sign the document in question.

**Bank** shall mean the provider or providers of one or more Facilities and any successor.

**Bond Counsel** shall mean any nationally recognized bond counsel firm selected by the Authority.

**Commonwealth** shall have the meaning set forth in the first paragraph hereof.

**Dealer** shall mean Lehman Brothers Inc., acting as the dealer under the Dealer Agreement, and any successors thereto, pursuant to the Dealer Agreement.

**Dealer Agreement** shall mean the agreement or agreements between the Authority and the Dealer and any successor dealer agreements entered into by the Authority pertaining to the Notes.

**Escrow Agent** shall mean the bank or trust company acting in such capacity pursuant to the Escrow Agreement, and any successors thereto, pursuant to the Escrow Agreement.

**Escrow Agreement** shall mean the agreement or agreements between the Authority and the Escrow Agent and any successor escrow agreement entered into by the Authority pertaining to the Notes.

**Facility** shall mean a letter of credit, line of credit, standby bond purchase agreement or other liquidity or credit support or mechanism delivered, made, entered into or otherwise obtained for the purpose of securing the payment of principal of and interest on Notes or any

substitute Facility and shall include the agreement providing for a Facility authorized pursuant to Section 604 hereof, including any similar agreement which provides for a substitute Facility pursuant to Section 604 hereof.

**Initial Bank** shall mean Bayerische Landesbank Girozentrale, acting through its New York Branch.

**Initial Facility** shall mean the Facility issued by the Initial Bank pursuant to the Commercial Paper Advance Agreement dated as of January 1, 2001 by and between the Authority and the Initial Bank.

**Issuing and Paying Agency Agreement** shall mean the Tax Exempt Commercial Paper Sales Tax Bond Anticipation Notes Issuing and Paying Agency Agreement between the Authority and the Issuing and Paying Agent.

**Issuing and Paying Agent** shall mean the bank or trust company acting in such capacity pursuant to the Issuing and Paying Agency Agreement, and any successors thereto, pursuant to the Issuing and Paying Agency Agreement.

**Notes** shall mean the Bond Anticipation Notes of the Authority designated as the "Tax Exempt Commercial Paper Sales Tax Bond Anticipation Notes, Series A."

**Outstanding** when used to modify Notes, refers to Notes issued under this Second Supplemental Trust Agreement, excluding: (i) Notes which have been paid; (ii) Notes which have become due and for the payment of principal of and interest on which moneys have been duly provided to the Issuing and Paying Agent; and (iii) Notes for which there have been set aside from proceeds of Sales Tax Bonds or refunding Notes with the Escrow Agent, pursuant to the Escrow Agreement, sufficient funds, or obligations in which the Authority may legally invest bearing interest at such rates and with such maturities as will provide sufficient funds, to reimburse the Bank for amounts paid under the Facility to pay the principal of and interest on such Notes when due.

**Pro Forma Note Debt Service** shall mean the Debt Service on a hypothetical Series of Sales Tax Bonds, the principal amount of which shall equal to the Available Principal Commitment (as defined in the Initial Facility), plus an amount equal to the Principal Component of any Advance (as defined in the Initial Facility) that has not been repaid, amortized over 20 years at the Maximum Rate with substantially equal annual payments of Debt Service on such hypothetical Series of Sales Tax Bonds.

**Second Supplemental Trust Agreement** shall mean this Second Supplemental Trust Agreement by and between the Authority and the Trustee, dated as of January 1, 2001, which supplements the Sales Tax Bond Trust Agreement and provides for the issuance of the Notes.

**Trust Agreement** shall have the meaning set forth in the Recital hereof.

**Section 102. Rules of Construction.** 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, as well as natural persons.

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

**Section 103. *Authority for this Supplemental Trust Agreement.*** This Second Supplemental Trust Agreement is entered into pursuant to the provisions of the Trust Agreement and the Act.

## ARTICLE II

### THE SERIES A NOTES

**Section 201. *Principal Amount and Designations.*** Pursuant to the provisions of the Trust Agreement, a Series of Bond Anticipation Notes designated as the "Tax Exempt Commercial Paper Sales Tax Bond Anticipation Notes" entitled to the benefit, protection and security of such provisions, is hereby authorized in the aggregate principal amount Outstanding at any one time which shall not exceed \$100,000,000. Such Bond Anticipation Notes shall be designated and shall be distinguished from the Bond Anticipation Notes of all other Series by the title "Tax Exempt Commercial Paper Sales Tax Bond Anticipation Notes, Series A."

**Section 202. *Purposes.*** The Notes are issued for the purposes of (i) funding capital projects; (ii) refinancing a portion of debt service due on outstanding bonds or notes of the Authority; and (iii) making a deposit to the Bond Proceeds Fund to pay the costs incurred in connection with the issuance of the Notes, all in accordance with Section 202 of the Trust Agreement.

**Section 203. *Authorization of Sales Tax Bonds.*** Pursuant to the provisions of the Trust Agreement, a Series of Senior Sales Tax Bonds or Subordinated Sales Tax Bonds entitled to the benefit, protection and security of the Trust Agreement is hereby authorized to be issued under a Supplemental Trust Agreement to be entered into at the time of issuance of such Sales Tax Bonds. All or a portion of the net proceeds of such Senior Sales Tax Bonds or Subordinated Sales Tax Bonds shall be used to pay principal of and the interest on the Notes, including renewals thereof, at maturity. Such Senior Sales Tax Bonds or Subordinated Sales Tax Bonds shall have such maturities, principal installments and redemption prices and terms, shall bear interest, shall be in such forms and denominations, shall bear such identifying numbers and letters and shall have such other attributes as the Authority shall determine at or prior to the issue

thereof and as shall be set forth in a Supplemental Trust Agreement with such terms as may be deemed necessary or desirable by any Authorized Officer, the definitive form of which Sales Tax Bonds and Supplemental Trust Agreement, respectively, to be evidenced conclusively by the execution thereof by any Authorized Officer as provided in the Act.

**Section 204. Issuance and Sale of Notes, Maturities and Interest Rate.**

(a) The Authority may issue and sell Notes pursuant to the Dealer Agreement at such times, in such amount, with such maturities, at such rates of interest and upon such other terms and conditions as shall be fixed by an Authorized Officer at the time of sale, subject to the provisions of this Second Supplemental Trust Agreement; and the Authority hereby finds and determines that such manner of sale is in the best interests of the Authority.

(b) Upon receipt by the Issuing and Paying Agent from an Authorized Officer of the Authority or agent of the Authority designated by an Authorized Officer of (i) a request that such Issuing and Paying Agent shall authenticate and issue Notes theretofore delivered to it pursuant to the Issuing and Paying Agency Agreement, and (ii) instructions specifying the principal amounts, dates of issuance, maturities, rates of interest, registered owners and other terms and conditions as shall be determined by such Authorized Officer, the Issuing and Paying Agent shall thereupon withdraw from safekeeping said Notes and shall complete, authenticate and issue the same in accordance with such instructions. Instructions for purposes of this section shall be given in writing (including facsimile transmissions or other electronic means), provided, however, that telephonic instructions may be given if confirmed in writing (including facsimile transmission or other electronic means) within twenty-four (24) hours. There shall be printed on the Notes the legal opinion of Bond Counsel in substantially the form included in Exhibit A hereto.

(c) The delivery to the Issuing and Paying Agent of instructions, to complete, authenticate and issue Notes shall constitute a certification by the Authority as of the date of said instructions to the following effect:

(1) The representations and warranties of the Authority contained herein and in the Facility, the Dealer Agreement and the Issuing and Paying Agency Agreement are true and correct and all covenants contained herein and therein have been duly performed and observed;

(2) No default under the Facility, or other condition thereunder that could prevent said issuance, has occurred or would occur as a result of the issuance of such Notes;

(3) Neither Moody's nor Standard & Poor's has assigned any unenhanced Sales Tax Bonds a rating below Investment Grade (as defined in the Initial Facility), or has suspended or withdrawn its rating on any unenhanced Sales Tax Bonds for a period of more than sixty (60) days.

(4) All actions required to be performed by the Authority with respect to the issuance of such Notes have been duly performed.

In confirmation of the foregoing the Authority agrees to cause an Authorized Officer to execute and deliver a certificate in substantially the form attached hereto as Exhibit B. Such certificate shall be mailed to the Issuing and Paying Agent, the Bank and the Dealer on each day such instructions are given to the Issuing and Paying Agent.

(d) An Authorized Officer of the Authority is hereby authorized to prepare, make public, execute and distribute such disclosure documents as may be deemed necessary or appropriate in connection with the sale of the Notes in such form as such Authorized Officer deems appropriate.

(e) For purposes of paragraphs (a), (b) and (c) of this section, "Authorized Officer" shall also include the Manager of Finance, the Assistant Manager of Finance, any Assistant Treasurer-Controller, and any Financial Management Analyst.

**Section 205. Terms, Form, Denominations, Numbers and Letters.** The Notes shall be dated the date of actual issuance thereof and shall be in substantially the form attached as Exhibit C hereto with such appropriate variations, omissions and insertions as are permitted or required by this Second Supplemental Trust Agreement, the Trust Agreement and the Act and provided, that so long as the Notes are issued in book-entry form there shall be a single Master Note in the form contained in the Issuing and Paying Agency Agreement. The Authority, the Issuing and Paying Agent and the Dealer may treat the registered owner thereof as the absolute owner of any Note for the purpose of receiving payment thereof and for all other purposes, and none of the Authority, the Issuing and Paying Agent or the Dealer shall be affected by any notice or knowledge to the contrary. The Notes shall be numbered serially from 1 upwards in order of their issuance, shall be in denominations of integral multiples of \$50,000 with a minimum denomination of \$100,000, and, subject to the limitation expressed in the following sentence with respect to refunding Notes, shall each mature not later than (i) 270 days from its date of issuance or (ii) the Termination Date of the applicable Facility, whichever is earlier. Notwithstanding the preceding sentence, in no event shall any Note (including a Bank Note) issued to refund other Notes or bond anticipation notes, mature more than three years from the date of issuance of the original Note or bond anticipation note issued to pay capital costs of the Authority. The Authority shall maintain the records necessary to comply with the provisions of this Section relating to the maturity of Notes. The principal amount, date of issuance, maturity date and rate of interest (calculated on the basis of the actual number of days elapsed and a 365/366 day year as appropriate) of each Note shall be as specified in instructions delivered to the Issuing and Paying Agent pursuant to Section 204 hereof. No Note, except when a Bank Note, shall bear an interest rate in excess of nine percent (9%) per annum except as otherwise provided by resolution of the Board of Directors of the Authority or such lesser amount set forth in the applicable Facility. Bank Notes shall bear interest and be payable as provided in the applicable Facility and as set forth in the form of Note attached as Exhibit C hereto. The Notes shall not be subject to redemption by the Authority prior to maturity, except as provided in the form of Note attached as Exhibit C hereto when any Note is a Bank Note. The Notes shall be executed on behalf of the Authority by the manual or facsimile signature of an Authorized Officer. In case any Authorized Officer whose signature shall appear on any Note shall cease to be an Authorized Officer before the issuance of such Note, such signature shall nevertheless be



valid and sufficient for all purposes, and such Note may be authenticated and issued the same as if such Authorized Officer had remained an Authorized Officer until such issuance.

**Section 206. *Place of Payment and Issuing and Paying Agent.*** Except as otherwise provided in the Bank Note, the principal of and interest on the Notes are payable both as to principal and interest at maturity in immediately available funds, at the corporate trust office of the Issuing and Paying Agent or its successor, to the registered owner thereof. Upon the written request of any registered holder of at least \$1,000,000 in principal amount of Notes, the Issuing and Paying Agent shall make payments of interest on or principal of the Notes to such holder by wire transfer to the account of such holder as set forth on the registration books of the Authority maintained at the corporate trust office of the Issuing and Paying Agent at the close of business on the Record Date prior to the payment date, or to any other account of which such holder shall give written notice to the Issuing and Paying Agent, in each case, not less than five Business Days prior to the date set for payment. The provisions of this Section 206 shall be subject to Section 305.

**Section 207. *Form of Notes and Issuing and Paying Agent's Certificate of Authentication.*** The text of the Notes and the Issuing and Paying Agent's certificate of authentication thereon for such Notes shall be substantially in the form set forth as Exhibit C hereto.

**Section 208. *Custody of Cancelled Notes.*** All Notes shall upon the payment of the principal thereof and interest thereon be cancelled by the Issuing and Paying Agent and disposed of by the Issuing and Paying Agent as directed by the Authority.

### ARTICLE III

#### DETERMINATIONS PURSUANT TO AGREEMENT; APPLICATION OF PROCEEDS

**Section 301. *Establishment of Accounts and Subaccounts.*** Pursuant to Section 502 of the Trust Agreement, there are hereby established within the Funds and Accounts heretofore established under the Trust Agreement, the following Accounts:

- (1) In the Bond Proceeds Fund:
  - (A) Series A Notes Capital Account.
- (2) In the Senior Debt Service Fund:
  - (A) Series A Notes Interest Account

**Section 302. *Application of Proceeds of Notes.*** The Authority hereby directs that the proceeds of the sale of the Notes, which shall be equal to the par amount of the Notes, shall be deposited as directed by a certificate of an Authorized Officer, who shall direct that such moneys

deposited to the Series A Notes Capital Account of the Bond Proceeds Fund, to provide funding for the Authority's capital program, to repay Outstanding Notes, to pay a portion of the debt service due on Outstanding Bonds of the Authority and to pay the costs of issuance of the Notes.

Notwithstanding anything in the Trust Agreement to the contrary, the deposit from the Pledged Revenue Fund to the Senior Debt Service Fund on or before the last Business Day of each month in accordance with Section 504(1) of the Trust Agreement shall include an amount equal to the interest coming due on any Notes maturing in the following month. Such portion of the deposit shall be credited to the Series A Notes Interest Account. In the event that Notes mature in the same month in which they were issued, simultaneously with the issuance of such Notes, the Authority shall deliver to the Trustee for deposit into the Series A Notes Interest Account an amount equal to the interest due on such Notes during the month.

Proceeds of the Notes issued to refund other such Notes prior to maturity shall be held by the Escrow Agent prior to their application pursuant to the Escrow Agreement.

**Section 303. *Reserved.***

**Section 304. *Security and Sources of Payment***

The proceeds of the sale of a series of Sales Tax Bonds, in anticipation of which the Notes are issued, are pledged for the payment of the principal of and interest on the Notes and such pledge has a priority over any other pledge of such proceeds created by the Trust Agreement; provided, however, the proceeds Sales Tax Bonds issued to refund bonds of the Authority are so pledged only to the extent of any obligation due and payable to the Bank under the Facility at the time of issuance of such refunding bonds. In addition, Pledged Revenues are pledged for the payment of interest on the Notes and such pledge is on a parity with the pledge of Pledged Revenues securing Sales Tax Bonds. The Authority may, however, pay principal of and interest on the Notes from the proceeds of such Notes, from the proceeds of Subordinated Sales Tax Bonds or from funds of the Authority.

**Section 305. *Book-Entry Form.***

(a) The Authority hereby determines that the Notes shall be issued exclusively in "book-entry" form. The initial owner of the Notes shall be Cede & Co. ("Cede"), on behalf of The Depository Trust Company ("DTC"), which shall hold one or more immobilized certificates representing each maturity of each Series of the Notes. With respect to the Notes so registered in the name of Cede, the Authority, the Issuing and Paying Agent and the Trustee shall have no obligation or responsibility to any DTC participant, indirect participant or beneficial owner of the Notes. Without limiting the immediately preceding sentence, the Authority, the Issuing and Paying Agent and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant or indirect participant with respect to any beneficial ownership interest in the Notes, (ii) the delivery to any DTC participant, indirect participant, beneficial owner or any other person, other than DTC, of any notice with respect to the Notes, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or any other person other than DTC, of any amount with respect to

the principal or redemption price of or interest on the Notes. The Authority and the Trustee may treat as, and deem DTC to be, the absolute owner of the Notes for the purposes of (i) payment of the principal of and interest on the Notes, (ii) giving notices of redemption and other matters with respect to such Notes and (iii) registering transfers with respect to such Notes, and for all other purposes whatsoever. The Issuing and Paying Agent shall pay all principal or redemption price of, as applicable, and interest on the Notes only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal and interest to the extent of the sum or sums so paid. No person other than DTC shall receive a Note evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to this Second Supplemental Trust Agreement or the Trust Agreement. Upon delivery by DTC to the Issuing and Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and, subject to the transfer provisions hereof, the word "Cede" in this Second Supplemental Trust Agreement shall refer to such new nominee of DTC. All transfers of Notes shall be effected as set forth in Section 306 of the Trust Agreement; provided that the Authority acknowledges and agrees that DTC shall establish procedures with its participants for recording and transferring the ownership of beneficial interests in the Notes. The Authority and the Issuing and Paying Agent may enter into a letter of representation and other documentation necessary or desirable to effectuate the issuance of the Notes in book-entry form.

(b) For purposes of determining consents of the owners of any Notes under the Trust Agreement, the Trustee shall establish a record date for determination of ownership of such Notes, and shall give to DTC fifteen (15) calendar days' notice, or such shorter period as shall be acceptable to DTC, of any record date so established.

(c) (i) DTC may determine to discontinue providing its services with respect to the Notes at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law.

(ii) The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Notes if the Authority determines, and shall terminate the services of DTC with respect to the Notes upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect participants having interests, as shown in the records of DTC, in an aggregate amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Notes, that: (I) DTC is unable to discharge its responsibilities with respect to such Notes; or (II) a continuation of the requirement that all of the Outstanding Notes be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of such Notes.

(iii) Upon the termination of the services of DTC with respect to the Notes pursuant to Section 305(c)(ii)(II) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Notes pursuant to Section 305(c)(i) or 305(c)(ii)(I) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Notes shall no longer be restricted to

being registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, or in the name of any substitute securities depository or its nominee, but may be registered in whatever names the registered holder transferring or exchanging the Notes shall designate, in accordance with the provisions of Article III of the Trust Agreement.

(iv) The Authority may hereafter amend this Second Supplemental Trust Agreement without notice to or consent of the owners of any of the Notes in order to (x) effect the certification of one or more Notes pursuant to this Section 305(c) or (y) substitute another securities depository for DTC pursuant to this Section 305(c).

(d) Notwithstanding any other provision of this Second Supplemental Trust Agreement or the Trust Agreement to the contrary, so long as any Note is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, as applicable, and interest on, and all notices with respect to such Series shall be made and given, respectively, to DTC pursuant to the Blanket Issuer Letter of Representations between the Authority and DTC. Similar arrangements may be made with any substitute securities depository.

#### ARTICLE IV

#### REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

The Authority represents, warrants and agrees as follows:

**Section 401. *Corporate Existence.*** The Authority is a body politic and corporate and a political subdivision of The Commonwealth of Massachusetts, duly organized and validly existing pursuant to the Act.

**Section 402. *Corporate Authority.*** The Authority has full legal right, power and authority (i) to adopt this Second Supplemental Trust Agreement, (ii) to enter into the Issuing and Paying Agency Agreement, the Dealer Agreement, the Escrow Agreement and the Facility (such Agreements being hereinafter collectively referred to as the "Related Agreements"), (iii) to sell, issue and deliver the Notes as provided herein, and (iv) to carry out and consummate all other transactions contemplated by the Trust Agreement, this Second Supplemental Trust Agreement and the Related Agreements.

**Section 403. *Due Authorization and Approval of Second Supplemental Trust Agreement, Notes and Related Agreements.*** By all necessary official action prior to or concurrently herewith, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of its obligations arising from, the Notes, the Trust Agreement, this Second Supplemental Trust Agreement and the Related Agreements and the consummation by it of all other transactions contemplated by the Trust Agreement, this Second Supplemental Trust Agreement and the Related Agreements in connection with the issuance of the Notes, and such authorizations and approvals are in full force and effect and have not been amended, modified or supplemented in any material respect.

**Section 404. *Second Supplemental Trust Agreement and Related Agreements to Constitute Legal, Valid and Binding Obligations of Authority.*** The Trust Agreement and this Second Supplemental Trust Agreement constitute, and the Related Agreements, when executed and delivered, will constitute, the legal, valid and binding obligations of the Authority.

**Section 405. *Notes to Constitute Legal, Valid and Binding Obligations of Authority.*** The Notes, when issued and authenticated in accordance with this Second Supplemental Trust Agreement, will constitute the legal, valid and binding obligations of the Authority.

**Section 406. *No Litigation.*** To the best knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or threatened against the Authority affecting the corporate existence of the Authority or the titles of its Authorized Officers to their respective offices or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Notes or contesting or affecting the powers of the Authority with respect to or the validity or enforceability of, or any authority for, the issuance and sale of the Notes, the adoption of this Second Supplemental Trust Agreement or the execution and delivery by the Authority of the Related Agreements.

## ARTICLE V

### COVENANTS OF THE AUTHORITY

**Section 501. *Amount of Notes Outstanding.*** The Authority covenants that at no time will it have Notes Outstanding such that (a) the aggregate principal amount of such Notes Outstanding (including Notes no longer considered Outstanding pursuant to clause (iii) of the definition of Outstanding contained herein) exceeds the principal portion under the Facility or (b) the aggregate interest payable on such Notes exceeds the interest portion under the Facility.

**Section 502. *Exemption of the Notes from Taxation.*** The Authority covenants to take all lawful action, including all action necessary under the Code, including the payment of required rebates, to ensure that interest on the Notes will remain excludable from gross income for federal income tax purposes and exempt from Massachusetts personal income taxes and to refrain from taking any action that will cause interest on the Notes to become includable in gross income or subject to such federal and Massachusetts personal income taxes.

**Section 503. *Maintenance of Facility.*** The Authority covenants that, as long as any Notes are Outstanding, it will not agree to or acquiesce in (i) any reduction of the Facility such that the Authority is not in compliance with the covenant contained in Section 501 hereof or (ii) any termination of the Facility prior to the maturity of the Notes.

**Section 504. *Issuance of Sales Tax Bonds to Repay Notes.*** The Authority hereby covenants that it will issue Sales Tax Bonds to refund the Notes, to the extent that the principal thereof and interest thereon have not otherwise been paid or provided for. The Authority further covenants that, if at the time the Authority issues Sales Tax Bonds, any obligation to the Bank under the Facility is due and payable by the Authority, the net proceeds of such Sales Tax Bonds shall be applied to satisfy such obligation prior to being used for any other purpose.

**Section 505. *Inclusion in Statutory Debt Cap.*** The Authority covenants that, so long as the Initial Facility is in full force and effect, the Authority shall not issue Sales Tax Bonds or other bonds of the Authority (other than refunding bonds or Sales Tax Bonds or other bonds issued to repay the principal of and interest on the Notes) in an amount, which, when added to (i) the total outstanding indebtedness of the Authority (other than refunding bonds) plus (ii) the initial Available Principal Commitment and Available Interest Commitment (as defined in the Initial Facility), exceeds the limitation set forth in the Section 13 of the Act or other applicable law.

**Section 506. *Inclusion in Combined Net Debt Service.*** Notwithstanding anything in the Trust Agreement to the contrary, the Authority covenants that, so long as the Initial Facility is in full force and effect, for purposes of compliance with Section 202(2)(5) of the Trust Agreement, Combined Net Debt Service shall include Pro Forma Note Debt Service, all as set forth in a certificate of an Authorized Officer.

**Section 507. *Reaffirmation of Covenants.*** The Authority covenants and agrees that, upon each sale, authentication and delivery of Notes, the covenants set forth hereinabove and the representations and warranties set forth in Article IV shall be deemed to have been reaffirmed by the Authority, and shall have been fully complied with, on and as of the date thereof, as if made on such date.

## ARTICLE VI

### MISCELLANEOUS

**Section 601. *Issuing and Paying Agent.*** The Authority hereby appoints Bankers Trust Company as Issuing and Paying Agent and approves the terms of the Issuing and Paying Agency Agreement with Bankers Trust Company. The Authority may remove the Issuing and Paying Agent and the Issuing and Paying Agent may resign and be discharged of the duties and obligations created by this Second Supplemental Trust Agreement as provided in the Issuing and Paying Agency Agreement. An Authorized Officer shall designate on behalf of the Authority a successor, if the Issuing and Paying Agent is removed, resigns or otherwise becomes ineligible. The Authority shall give written notice of any removal, resignation, ineligibility or appointment of the Issuing and Paying Agent to the Bank and the Dealer.

**Section 602. *Dealer.*** The Authority hereby appoints Lehman Brothers Inc. as Dealer under the Dealer Agreement. The Authority may remove the Dealer and the Dealer may resign and be discharged of the duties and obligations created by this Second Supplemental Trust Agreement as provided in the Dealer Agreement. An Authorized Officer shall designate on behalf of the Authority a successor, if the Dealer is removed, resigns or otherwise becomes ineligible. The Authority shall give written notice of any removal, resignation, ineligibility or appointment of the Dealer to the Bank and the Issuing and Paying Agent. Appointment of the Dealer shall be subject to the consent of the Bank, which consent shall not be unreasonably withheld.

**Section 603. Replacement of Escrow Agreement.** The Authority may at any time replace the Escrow Agreement with a substitute Escrow Agreement with substantially the same terms. The Authority shall give written notice of any substitute Escrow Agreement to the Issuing and Paying Agent, the Dealer and the Bank.

**Section 604. Facility.**

(a) For purposes of providing funds for the payment of the principal of and interest on the Notes when due, the Authority shall cause to be delivered to the Issuing and Paying Agent the Initial Facility in the initial available amount not in excess of \$106,657,534.25. An Authorized Officer has appointed the Initial Bank to provide the initial Facility and has executed and delivered the Initial Facility. The Authority also hereby covenants that it shall use its best efforts to obtain a substitute Facility in the event the Authority has reason to believe that the Bank will not or will be unable to honor its obligations under the Facility.

(b) On the Business Day immediately preceding the maturity date of each Note, the Issuing and Paying Agent shall cause sufficient funds to be made available under the Facility (at such times required therein in order to have funds available on the maturity date) to pay the principal of and interest on the Note or Notes due on such date to the extent not otherwise provided for. If funds paid under the Facility are insufficient to meet all the purposes for which such funds are to be paid and applied on such date, such funds as are available shall be applied as follows:

First, to the payment of interest on the Notes due on such date and, if the amount available shall not be sufficient to pay in full all such interest, then to the payment ratably, according to the amount of interest due on each Note, without any discrimination or preference; and

Second, to the payment of principal of the Notes due on such date and, if the amount available shall not be sufficient to pay in full all such principal, then to the payment thereof ratably, according to the amounts of principal due on each Note, without any discrimination or preference.

All funds paid under the Facility shall be held at all times separate from funds of the Authority in trust by the Issuing and Paying Agent for the benefit of the registered owners of the Notes to be applied solely in accordance with the purposes for which such amounts are paid as provided above. All such funds shall be held uninvested.

(c) All amounts paid under the Facility shall be reimbursed to the Bank by the Authority in immediately available funds immediately following the payment by the Bank of such draw. To the extent the Authority fails to reimburse the Bank the amount of any draw on the date of such draw, the Authority shall pay to the Bank the amount of such draw with interest thereon in the manner and at the times provided in the Facility. Until the Authority reimburses the Bank for any amount paid under the Facility, the payment of any principal of or interest on any Note paid from funds so drawn shall not be considered to have been paid by the Authority and shall continue to be an obligation of the Authority under such Note and the Bank shall

succeed to the rights of the owner of such Note to such payment, without limitation, in the manner specified in such Note and shall be entitled to all payments in respect of such principal or interest and all of the rights of the owner with respect thereto as set forth in such Note.

(d) Automatic Reinstatement. Provision for reinstatement of certain amounts paid under the Facility is made in the Facility under terms and conditions set forth therein.

(e) Substitute Facility. Upon satisfaction of the requirements set forth in this section, the Authority may at any time replace the Facility then in effect with a substitute Facility; provided, however, that the Facility being replaced shall be in no event be terminated or released until notice has been given as provided below and the substitute Facility has been delivered to the Issuing and Paying Agent and is in effect. At least 45 days prior to any such date, the Authority shall deliver to the Issuing and Paying Agent, the Dealer and the Bank written notice of such proposed replacement, including the effective date of the substitute Facility, the identity of the issuer of the Substitute Facility and the principal terms thereof. At least 15 days prior to any such date, the Issuing and Paying Agent shall give notice to each holder of the Notes at the address on the registration books maintained by the Issuing and Paying Agent.

On or prior to the date set for the replacement of any Facility, the Authority shall have delivered to the Issuing and Paying Agent: (1) if the Notes are then rated by Moody's and/or Standard and Poor's, written confirmation from each such rating agency or agencies then rating the Notes that the replacement of the Facility will not impair or reduce or cause the withdrawal of the rating that the Notes held immediately prior to such replacement; and (2) an opinion of counsel for the issuer of the substitute Facility that it constitutes a legal, valid and binding obligation of the issuer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws affecting the enforcement of creditors' rights in general heretofore or hereafter enacted, as such laws would apply in the event of the bankruptcy, insolvency, reorganization or liquidation of, or other similar occurrence with respect to, the issuer or in the event of any moratorium or similar occurrence affecting the issuer.



Each substitute Facility must: (1) be an obligation of a financial institution or surety whose debt obligations (or whose holding company parent's debt obligations) or suretyship undertakings, as the case may be, have at least an investment grade rating from each rating agency then rating the Notes, (2) have a term of at least one year and (3) be on terms no less favorable to the holders of the Notes than the Facility expiring or being replaced and entitle the Issuing and Paying Agent to draw upon or demand payment and receive in immediately available funds an amount equal to the then applicable amount available under the Facility expiring or being replaced.

(f) Control by Bank. Notwithstanding any inconsistent provisions in this Second Supplemental Trust Agreement to the contrary and so long as the Bank is fulfilling its obligations under the Facility, amendments to this Second Supplemental Trust Agreement and the remedies available to the holders of Notes thereunder shall be subject to the Bank's consent, which consent shall not be unreasonably withheld.

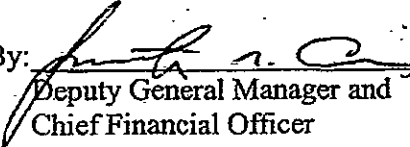
**Section 605. *Incorporation into Agreement.*** This Second Supplemental Trust Agreement is expressly made supplemental to and shall form a part of the Trust Agreement and is made subject to all of the conditions, covenants and warranties contained in the Trust Agreement. This Second Supplemental Trust Agreement shall become void when the Trust Agreement becomes void.

**Section 606. *Counterparts.*** This Second Supplemental Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

IN WITNESS WHEREOF, each of the Authority and the Trustee has caused this Second Supplemental Trust Agreement to be executed and delivered as a sealed instrument in its name and behalf by its authorized officer, all as of the date first above written.

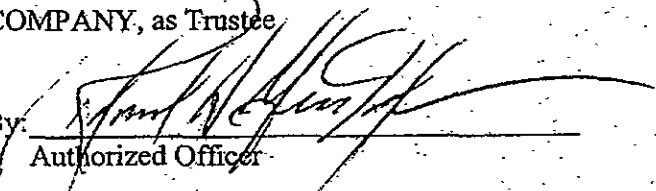
[SEAL]

MASSACHUSETTS BAY TRANSPORTATION  
AUTHORITY

By:   
Deputy General Manager and  
Chief Financial Officer

[SEAL]

STATE STREET BANK AND TRUST  
COMPANY, as Trustee

By:   
Authorized Officer

PROPOSED FORM OF OPINION OF BOND COUNSEL

MINTZ LEVIN  
COHN FERRIS  
GLOVSKY AND  
POPEO PC

*Boston*  
*New York*  
*Reston*  
*Washington*  
*New Haven*

*One Financial Center*  
*Boston, Massachusetts 02111*  
*617 542 6000*  
*617 542 2241 fax*  
*www.mintz.com*

March 8, 2001

Massachusetts Bay Transportation Authority  
10 Park Plaza  
Boston, MA 02116

Re: Massachusetts Bay Transportation Authority Tax Exempt Commercial  
Paper Sales Tax Bond Anticipation Notes, Series A

We have acted as bond counsel to the Massachusetts Bay Transportation Authority (the "Authority") in connection with the issuance by the Authority from time to time of its Tax Exempt Commercial Paper Sales Tax Bond Anticipation Notes, Series A ("Notes"), in an aggregate principal amount not to exceed at any time \$100,000,000, pursuant to Chapter 161A of the Massachusetts General Laws, as amended (the "Act"), and the Authority's 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 supplemented by the Second Supplemental Trust Agreement dated as of January 1, 2001 by and between the Authority and State Street Bank and Trust Company, as trustee (as supplemented, the "Trust Agreement"). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion. This opinion may be relied upon in connection with Notes issued after the date hereof only to the extent that (i) there has been no change since the date of this opinion in the statutes, regulations and court decisions relevant to the conclusions of law stated herein, (ii) the representations, warranties and covenants contained in the Trust Agreement remain valid and in effect, (iii) the matters stated in the Master Certificate are reaffirmed as of the date of each such issue and (iv) we have not notified the Issuing and Paying Agent for the Notes that this opinion may no longer be relied upon.

The Notes are being issued by means of a book-entry system, with note certificates immobilized at The Depository Trust Company, New York, New York ("DTC") and not available for distribution to the public, evidencing ownership of Notes, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants.

Massachusetts Bay Transportation Authority

March 8, 2001

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The Notes are being issued as Sales Tax Bond Anticipation Notes and are supported by a commercial paper advance agreement (the "Facility") between the Authority and Bayerische Landesbank Girozentrale, acting through its New York Branch (the "Bank"). The Facility expires at the close of business on March 1, 2004, provided that such expiration date may be extended to subsequent anniversaries of the initial expiration date if the Facility is extended in accordance with its terms or if a later expiration date is provided for in a substitute letter of credit or liquidity facility which may be obtained by the Authority under circumstances described in the Facility. In addition, the Facility is, under certain circumstances set forth in the Facility, subject to termination prior to the aforesaid expiration date.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. Unless otherwise defined herein, certain capitalized terms used herein shall have the meanings set forth in the Trust Agreement.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Authority is duly created and validly existing as a body politic and corporate and a political subdivision of the Commonwealth of Massachusetts (the "Commonwealth") with the corporate power to adopt the Trust Agreement, perform the agreements on its part contained therein and issue the Notes.
2. The Trust Agreement has been duly and lawfully authorized, executed and delivered and is in full force and effect and is a valid and binding agreement of the Authority enforceable upon the Authority in accordance with its terms.
3. When duly issued in accordance with the Trust Agreement and applicable DTC procedures, the principal of the Notes and the reimbursement obligation to the Bank will be valid and binding general obligations of the Authority, to which its full faith and credit of the Authority will be pledged, and the interest on the Notes will be a valid and binding special obligation of the Authority payable from the amounts on deposit in Senior Debt Service Fund established under the Trust Agreement, to the extent of funds held in the Series A Note Interest Account of the Senior Debt Service Fund established under the Second Supplemental Trust Agreement for the purpose of paying interest on the Notes.
4. The Authority is subject to suit, but its property is not generally subject to attachment or levy to pay a judgment on the Notes.

Massachusetts Bay Transportation Authority

March 8, 2001

Page 3

5. Interest on the Notes will not be included in the gross income of the holders of the Notes for federal income tax purposes. This opinion is rendered subject to the condition that the Authority comply with certain requirements of the Internal Revenue Code of 1986, as amended; which must be satisfied subsequent to the issuance of the Notes in order that interest thereon is and continues to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Notes to be included in the gross income of holders of the Notes retroactive to the date of issuance of the Notes. While interest on the Notes will not constitute a preference item for purposes of computation of the alternative minimum tax imposed on certain individuals and corporations, interest on the Notes will be included in the "adjusted current earnings" of corporate holders of the Notes and therefore will be taken into account in the computation of the alternative minimum tax applicable to certain corporations. We express no opinion as to other federal tax consequences resulting from holding the Notes.
6. Interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. We express no opinion as to other Massachusetts tax consequences arising with respect to the Notes nor as to the taxability of the Notes or the income therefrom under the laws of any state other than Massachusetts.

It should be understood that the rights of the holders of the Notes, including the rights against the Commonwealth described above, and the enforceability of the Notes and the Trust Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases. This opinion is given as of the date hereof, and we shall assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

EXHIBIT B

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY  
TAX EXEMPT COMMERCIAL PAPER  
SALES TAX BOND ANTICIPATION NOTES, SERIES A  
Certificate Pursuant to Section 204 of the  
Second Supplemental Trust Agreement

I \_\_\_\_\_, the \_\_\_\_\_ of the Massachusetts Bay Transportation Authority (the "Authority"), hereby certify that:

(1) The representations and warranties of the Authority contained in the Second Supplemental Trust Agreement, Providing for the Issuance of Tax Exempt Commercial Paper Sales Tax Bond Anticipation Notes, Series A (the "Second Supplemental Trust Agreement"), dated as of January 1, 2001, in the Facility, in the Dealer Agreement and in the Issuing and Paying Agency Agreement (such Agreements being as defined in the Second Supplement Trust Agreement), are true and correct as of this date and all covenants contained therein have been duly performed and observed.

(2) No default, or other event that would prevent the issuance of the Notes, under the Facility has occurred or would occur as a result of the issuance of such Notes.

(3) Neither Moody's nor Standard & Poor's has assigned any unenhanced Sales Tax Bonds a rating below Investment Grade, or has suspended or withdrawn its rating on any unenhanced Sales Tax Bonds for a period of more than sixty (60) days.

(4) All actions required to be performed by the Authority with respect to such Notes have been duly performed.

MASSACHUSETTS BAY TRANSPORTATION  
AUTHORITY

By \_\_\_\_\_  
Authorized Officer

Dated: \_\_\_\_\_

EXHIBIT C

FORM OF NOTE

\$ \_\_\_\_\_

A-1

Massachusetts Bay Transportation Authority  
Tax Exempt Commercial Paper  
Sales Tax Bond Anticipation Notes, Series A

[Dated Date]

Massachusetts Bay Transportation Authority ("Issuer" or the "Authority"), for value received, hereby promises to pay to Cede & Co., as nominee of The Depository Trust Company, or to registered assigns: (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Issuer (the "Underlying Records") as being evidenced by this Note, which Underlying Records are maintained by Bankers Trust Company ("Paying Agent"); (ii) interest on the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records. Payments shall be made solely from the sources stated on the Underlying Records by wire transfer to the registered owner from Paying Agent without the necessity of presentation and surrender of this Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF AND IN SCHEDULE A HERETO.

The terms of Schedule A shall govern in the event any Bank Notes are held by the Initial Bank in accordance with the terms of the Initial Facility and the Second Supplemental Trust Agreement (all as defined in Schedule A).

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This Note is a valid and binding obligation of Issuer.

MASSACHUSETTS BAY TRANSPORTATION  
AUTHORITY

By \_\_\_\_\_  
Authorized Officer

COUNTERSIGNED  
For Authentication Only

BANKERS TRUST COMPANY  
as Issuing and Paying Agent

\_\_\_\_\_  
Authorized Signature



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FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Name, Address and Taxpayer Identification Number of Assignee)

the Note and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_ attorney to transfer said Note on the books of Massachusetts Bay  
Transportation Authority with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

Notice: The signature on this assignment  
must correspond with the name as written  
upon the face of this Note, in every  
particular, without alteration or enlargement  
or any change whatsoever.

SCHEDULE A  
Commonwealth of Massachusetts  
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY  
Tax Exempt Commercial Paper  
Sales Tax Bond Anticipation Note  
Series A

This note is one of an issue of Tax Exempt Commercial Paper Sales Tax Bond Anticipation Notes, Series A of the Authority (herein called the "Notes") issued under and by virtue of Chapter 161A of Massachusetts General Laws, as amended (the "Act"), and under and pursuant to the Sales Tax Bond Trust Agreement dated as of July 1, 2000 (as from time to time supplemented and amended, the "Trust Agreement") by and between the Authority and the Trustee, and the Second Supplemental Trust Agreement dated as of January 1, 2001 (as from time to time in effect, the "Second Supplemental Trust Agreement") between the Authority and the Trustee to finance capital costs of the Authority and pay a portion of debt service on outstanding bonds or notes of the Authority. Copies of the Trust Agreement, Second Supplemental Trust Agreement and the Act are on file at the office of the Authority and reference to the Trust Agreement, Second Supplemental Trust Agreement and to the Act is made for a description of the terms and conditions upon which the Notes are issued and may be issued thereunder, the pledge and covenants securing the Notes and a statement of the rights, duties, immunities and obligations of the Authority and of the Issuing and Paying Agent and a statement of the rights of the owner hereof. All terms which are defined in the Second Supplemental Trust Agreement shall have the same meanings in this note as such terms are given in the Second Supplemental Trust Agreement.

The proceeds of the sale of a series of Senior Sales Tax Bonds, in anticipation of which the Notes are issued, are pledged for the payment of the principal of and interest on the Notes and such pledge has a priority over any other pledge of such proceeds created by the Trust Agreement. In addition, Pledged Revenues are pledged for the payment of interest on the Notes and such pledge is on a parity with the pledge of Pledged Revenues securing Sales Tax Bonds. In accordance with the Trust Agreement, the Authority may, however, pay principal of and interest on the Notes from the proceeds of the Notes, from the proceeds of Subordinated Sales Tax Bonds or from funds of the Authority.

THE SECOND SUPPLEMENTAL TRUST AGREEMENT PROVIDES THAT THE PRINCIPAL OF THE NOTES AND THE REIMBURSEMENT OBLIGATION TO THE INITIAL BANK CONSTITUTE GENERAL OBLIGATIONS OF THE AUTHORITY, TO WHICH ITS FULL FAITH AND CREDIT ARE PLEDGED. THE NOTES DO NOT CONSTITUTE A PLEDGE, CHARGE, LIEN OR ENCUMBRANCE UPON ANY OF THE AUTHORITY'S PROPERTY, OR UPON ITS INCOME, RECEIPTS OR REVENUE, EXCEPT TO THE EXTENT OF THE PLEDGE OF PLEDGED REVENUES SECURING THE INTEREST ON THE NOTES, FUNDS ADVANCED UNDER THE FACILITY AND THE PROCEEDS OF THE SERIES OF SALES TAX BONDS IN ANTICIPATION OF WHICH THE NOTES ARE ISSUED. INTEREST ON THE NOTES, INCLUDING THIS NOTE, WILL

BE PAYABLE FROM THE AMOUNTS ON DEPOSIT IN SENIOR DEBT SERVICE FUND ESTABLISHED UNDER THE TRUST AGREEMENT, TO THE EXTENT OF FUNDS HELD IN THE SERIES A NOTES INTEREST ACCOUNT OF THE SENIOR DEBT SERVICE FUND ESTABLISHED UNDER THE SECOND SUPPLEMENTAL TRUST AGREEMENT FOR THE PURPOSE OF PAYING INTEREST ON THE NOTES. THE PLEDGE OF PLEDGED REVENUES TO PAY INTEREST ON THE NOTES IS ON A PARITY WITH THE PLEDGE OF PLEDGED REVENUES SECURING THE AUTHORITY'S SENIOR SALES TAX BONDS. THE NOTES ARE NOT A DEBT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) AND NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON ANY NOTE AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT, EXCEPT AS PROVIDED IN THE TRUST AGREEMENT. THE AUTHORITY HAS NO TAXING POWER.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, DTC PROCEDURES SHALL GOVERN THE TERMS OF THE NOTES, PROVIDED, HOWEVER, THAT THE PROVISIONS AND PROCEDURES HEREIN REGARDING NOTES WHICH ARE BANK NOTES, NOTWITHSTANDING ANY INCONSISTENCY WITH DTC PROCEDURES, SHALL GOVERN THE TERMS OF SUCH NOTES.

This Note is transferable by the Registered Owner, in person or by its attorney duly authorized in writing, at the corporate trust office of the Issuing and Paying Agent upon surrender of this Note to the Issuing and Paying Agent for cancellation. Upon the transfer, a new Note of the same aggregate Principal Sum, Date of Maturity and Interest Rate Per Annum will be issued to the transferee at the same office. No transfer will be effective, unless presented by such surrender and reissue. Transfers will be without expense to the Registered Owner except for applicable taxes or other governmental charges, if any.

The Authority and the Issuing and Paying Agent may treat the Registered Owner as the absolute owner of this Note for all purposes, notwithstanding any notice to the contrary.

This Note is not subject to redemption by the Authority prior to maturity.

As additional security for the payment of principal of and interest on the Notes when due, the Authority has entered into a Commercial Paper Advance Agreement dated January 1, 2001 (the "Initial Facility") with Bayerische Landesbank Girozentrale, acting through its New York Branch (the "Initial Bank"). The Initial Facility terminates on the Termination Date (as defined in the Initial Facility) and is subject to extension in accordance with the Initial Facility.

The Initial Facility provides that the Initial Bank agrees to advance funds to the Issuing and Paying Agent to pay the principal of and accrued interest on the Notes on the terms and

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conditions contained in the Initial Facility in amounts not to exceed, in the aggregate, \$100,000,000 principal amount, plus 270 days of interest at the maximum rate of nine percent (9%), subject to the terms and conditions in the Initial Facility.

Until the Authority reimburses the Initial Bank for any amount so drawn, the payment of such principal of or interest on each such Note paid from funds so drawn shall not be considered to have been paid by the Authority and shall continue to be an obligation of the Authority under such Note, and the Initial Bank shall receive a Bank Note evidencing such advanced funds (a "Bank Note"), all as more fully provided in the Initial Facility.

Certain provisions concerning the rights and duties of the Initial Bank and the Authority with respect to the Initial Facility are contained in the Initial Facility and the Second Supplemental Trust Agreement, copies of which are on file with the Authority.

It is hereby certified and recited that every requirement of law relating to the issue of this Note has been duly complied with and that this Note is within every applicable debt or other limit. This Note will not be valid until countersigned by the Issuing and Paying Agent.

DATED DATE: \_\_\_\_\_

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