

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

Certificate of Recording Secretary

I, the Recording Secretary of the Massachusetts Bay Transportation Authority, certify as follows:

1. Attached hereto is a true copy of the General Bond Resolution of the Authority, entitled "A Resolution Creating and Establishing an Issue of General Transportation System Bonds of the Massachusetts Bay Transportation Authority; Providing for the Issuance from Time to Time of Said Bonds; Providing for the Payment of Principal and Interest of Said Bonds; and Providing for the Rights of the Holders Thereof."

2. Said resolution was duly adopted at a meeting of the Board of Directors of the Authority duly called and held on February 15, 1967, at which all members were present, all of which appears in the official records of the Board in my custody.

3. A series resolution entitled "A Series Resolution Authorizing the Issuance of \$71,210,000 General Transportation System Bonds, 1983 Series A Refunding, of the Massachusetts Bay Transportation Authority" duly adopted by the Authority on July 27, 1983 amended the last paragraph of Section 203 of the resolution to read as follows:

Except for any amount thereof to be deposited in the Debt Service Fund pursuant to the foregoing provisions of this Section, the proceeds (other than accrued interest) of the Bonds of a Refunding Issue shall be deposited with the Fiscal Agent or the Paying Agent of the Bonds to be refunded to be held and set aside, with any other available moneys which are to be used for the purpose, in trust for the sole and exclusive purpose of paying the principal or Redemption Price of and interest on such Bonds and the expenses specified in this Section, subject to the right of the Authority to direct the investment thereof in direct obligations of the United States of America for the purpose and in accordance with the above provisions for such investment. Accrued interest, if any, received upon the delivery of the Bonds of a Refunding Issue shall be deposited into the Interest Account.

all of which appears in the official records of the Board in my custody.

4. A series resolution entitled "A Series Resolution Authorizing the Issuance of \$90,000,000 General Transportation System Bonds, Variable Rate Demand Obligations, 1984 Series A, of the Massachusetts Bay Transportation Authority" duly adopted by the Authority on October 31, 1984 amended Section 202(j) and the third paragraph of Section 205 of the resolution to read respectively as follows:

(j) The officer or employee of the Authority directed to attest manually, or in the case of Bonds authorized by a Series Resolution adopted after

September 1, 1984 manually or by facsimile signature, the corporate seal (or facsimile thereof) on the Bonds of such Series.

The Bonds shall 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 in the case of Bonds authorized by a Series Resolution adopted after September 1, 1984 the manual or facsimile, signature of such officer or employee of the Authority as shall be directed by the Series Resolution authorizing the issuance thereof, or in such other manner as may be required by law.

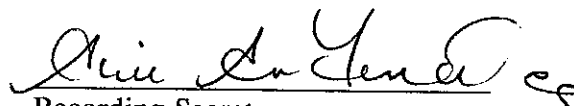
all of which appears in the official records of the Board in my custody.

5. A series resolution entitled "A Series Resolution Authorizing the Issuance of \$275,000,000 General Transportation System Bonds, 1991 Series A, of the Massachusetts Bay Transportation Authority" duly adopted November 20, 1991 amended the resolution by adding the following Section 306 after Section 305 of the resolution:

SECTION 306. Notwithstanding the above provisions of this Article III, Bonds subject to redemption prior to maturity pursuant to the provisions of a Series Resolutions adopted after November 1, 1991 shall be redeemable upon mailed notice as provided in this Section 306. Such notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds or any like Series and maturity are to be redeemed, the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Fiscal Agent by registered mail not more than sixty (60) days nor less than thirty (30) days prior to the redemption date to the registered owners of any Bonds or portions of Bonds which are to be redeemed at their last addresses, if any, appearing upon the registry books. Failure to mail notice to a particular registered owner, or any defect in the notice to such owner, shall not affect the redemption of any other Bond. For the purposes of this Resolution and any Bond subject to this Section 306, such mailed notice shall have the same effect as notice given by publication as provided in Section 304.

6. Said resolution, as amended as indicated above, is in full force and effect and has not been further amended or revoked.

(Seal)


Recording Secretary

June 29, 1999

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MASSACHUSETTS BAY
TRANSPORTATION AUTHORITY

Resolution

Adopted February 15, 1967

AUTHORIZING THE ISSUANCE OF
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
GENERAL TRANSPORTATION SYSTEM BONDS

General Bond Resolution

A RESOLUTION CREATING AND ESTABLISHING AN ISSUE OF GENERAL TRANSPORTATION SYSTEM BONDS OF THE MASSACHUSETTS BAY TRANSPORTATION AUTHORITY; PROVIDING FOR THE ISSUANCE FROM TIME TO TIME OF SAID BONDS; PROVIDING FOR THE PAYMENT OF PRINCIPAL AND INTEREST OF SAID BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF.

Be it resolved by the directors of The Massachusetts Bay Transportation Authority as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

SECTION 101. *Authority for this Resolution.* This Resolution is adopted pursuant to the provisions of the Act.

SECTION 102. *Resolution to Constitute Contract.* In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders of the Bonds and coupons, and the pledges made in this Resolution and the covenants and agreements herein set forth to be performed by the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and coupons, all of which, without regard to the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other, except as expressly provided in or permitted by this Resolution.

SECTION 103. *Definitions.* The following terms shall, for all purposes of this Resolution, have the following meanings unless the context shall clearly indicate some other meaning:

"Accountant" shall mean the firm of independent nationally recognized certified public accountants at the time employed by the Authority to perform and carry out the duties imposed on the Accountant by this Resolution.

"Act" shall mean chapter 161A of the General Laws, as existing at the date of adoption of this Resolution.

"Additional Bonds" shall mean Bonds of a Series hereafter issued and delivered within the conditions and limitations of subdivision (2) of Section 713 hereof.

"Annual Debt Service Requirement" for any calendar year, as applied to the Bonds, shall mean the interest and principal payable during such calendar year on Outstanding Serial Bonds and the interest and Sinking Fund Installments due during such calendar year on Outstanding Term Bonds. Annual Debt Service Requirement for a calendar year in which such computation is made shall be exclusive of any interest, principal or Sinking Fund Installment which shall have been paid prior to the time as of which the computation is made.

"Authority" shall mean the Massachusetts Bay Transportation Authority, the body politic and corporate and a political subdivision of the Commonwealth created by the Act, and any body, agency, instrumentality, board or officer of the Commonwealth which shall hereafter succeed to and assume the liabilities, obligations, duties, rights and powers of the Authority.

"Authorized Newspaper" shall mean a newspaper of general circulation or financial paper published in the English language in the Borough of Manhattan, City and State of New York on each business day in each calendar week excluding Saturday.

"Authorized Officer" shall mean any officer or employee of the Authority authorized by resolution of the Authority to perform the act or sign the document in question.

"Bond" or "Bonds" shall mean any Bond or the issue of Bonds, as the case may be, authorized to be issued pursuant to this Resolution and includes the Additional Bonds and Refunding

Issues issued and delivered pursuant to Sections 713 and 203 of this Resolution.

"Bondholder" or "Holder" or "Holder of Bonds," or any similar term, shall mean any person or party who shall be the bearer of any Bond or Bonds registered to bearer or not registered or the registered owner of any Bond or Bonds which shall at the time be registered other than to bearer.

"Bond Proceeds Accounts" shall mean the accounts by that name established by subsection (a) of Section 401.

"Capitalized Interest Accounts" shall mean the accounts by that name established by subsection (b) of Section 401.

"Commonwealth" shall mean the Commonwealth of Massachusetts.

"Contract Assistance" shall mean the moneys payable by the Commonwealth to the Authority pursuant to the Contract For Financial Assistance for the purpose of paying the debt service on the Bonds.

"Contract For Financial Assistance" shall mean the contract by that name between the Authority and the Commonwealth, dated December 31, 1964, as amended from time to time.

"Counsel's Opinion" shall mean an opinion signed by an attorney or firm of attorneys selected by the Authority.

"Current Expenses" shall mean all current expenses of the Transportation System incurred by the Authority, including, but not limited to, expenses for operations, wages, maintenance, taxes and rentals, together with the current expenses incurred by the Authority with respect to contracts for transportation service by others (excluding contracts for services on a self-liquidating basis pursuant to Section 4 of the Act or pursuant to any other provision of law), and all other expenses which the Authority determines not to capitalize.

"Daily newspaper" shall mean a newspaper published in the English language on each business day in each calendar week excluding Saturdays.

"Debt Service Fund" shall mean the fund by that name established by Section 504.

"Depository" shall mean any bank or trust company duly authorized by law to engage in the banking business and selected by the Authority as a depository of moneys under the provisions of this Resolution, which may include the Fiscal Agent.

"Fiscal Agent" shall mean the bank or trust company appointed pursuant to Section 901 to act as Fiscal Agent hereunder and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this Resolution.

"Fiscal Year" shall mean the accounting period (whether less than, equal to or greater than twelve [12] calendar months) used for the computation of the net cost of service under the Act as from time to time amended.

"Interest Account" shall mean the account by that name established by Section 504.

"MTA Obligations" shall mean the debts, liabilities and obligations of the Metropolitan Transit Authority assumed by the Authority pursuant to the provisions of Section 20 of Chapter 563 of the Acts of 1964 and the Act at the time outstanding.

"Outstanding," when used with reference to the Bonds, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of this Resolution, except (i) any Bonds cancelled by the Fiscal Agent or any Paying Agent at or prior to such date, (ii) 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 and set aside by the Fiscal Agent or the Paying Agents in trust (whether at or prior to maturity or redemption date), or for the payment or redemption of which direct obligations of the United States of America sufficient in amount to provide, together with interest and income to accrue thereon, for such payment or redemption shall be held and set aside by the Fiscal Agent

or Paying Agents in trust, provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, and (iii) Bonds in lieu of or in substitution for which other Bonds, other than Bonds of a Refunding Issue, shall have been delivered under this Resolution.

"Paying Agent" shall mean any paying agent for the Bonds of any Series and its successor or successors appointed by the Authority pursuant to the provisions of this Agreement.

"Purpose" shall mean any of the purposes for which the Authority is authorized to issue bonds under Section 23 of the Act, and any additional purpose for which the Authority shall hereafter be authorized by law to issue bonds, which bonds may be issued and secured under the provisions of this Resolution. A Purpose under this Resolution may be stated in general terms, comparable to the numbered clauses contained in Section 23 of the Act, or in specific terms.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution and the Series Resolution pursuant to which the same was issued.

"Refunding Issue" shall mean all Bonds or Series of Bonds delivered on original issue pursuant to Section 203.

"Revenues" shall mean all income received by the Authority from the Transportation System, including, but not limited to, revenues and receipts from operations, advertising, parking, sale of capital assets in the ordinary course of business, and gifts and grants for current purposes, together with any income received by the Authority from contracts for transportation service by others (excluding contracts for service on a self-liquidating basis pursuant to Section 4 of the Act or pursuant to any other provision of law).

"Secretary of the Authority" shall mean the Secretary or Recording Secretary of the Authority or any other officer or em-

ployee of the Authority having custody of the minutes of the Authority or authority to certify actions of the Authority, which custody or authority may be either permanent or temporary.

"Serial Bonds" shall mean Bonds which mature in annual installments of principal, which need not be equal and the first installment of which may be deferred as provided by law.

"Serial Bond Account" shall mean the account by that name established by Section 504.

"Series of Bonds" or "Bonds of a Series" shall mean the Series of Bonds authorized and issued pursuant to a Series Resolution.

"Series Resolution" shall mean a resolution of the Authority authorizing the issuance of a Series of Bonds in accordance with the terms and provisions hereof adopted by the Authority in accordance with Article X.

"Sinking Fund Account" shall mean the account by that name established by Section 504.

"Sinking Fund Installment" shall mean the installment established for a Series of Bonds pursuant to Section 202(h).

"State Treasurer" shall mean the Treasurer and Receiver-General of the Commonwealth.

"Term Bonds" shall mean Bonds not constituting Serial Bonds.

"Transportation System" shall mean all Mass Transportation Facilities and all Equipment (as such terms are defined in the Act) and all other real and personal property now owned or operated by the Authority or hereafter acquired from the proceeds of sale of Bonds or hereafter acquired by the Authority by means other than from the proceeds of sale of Bonds and, when so acquired by other means, designated by the Authority as part of the Transportation System. Transportation System shall not include any unit of Mass Transportation Facilities and Equipment established by the Authority on a self-liquidating basis pur-

suant to Section 4 of the Act or pursuant to any other provision of law.

"Treasurer of the Authority" shall mean the Treasurer of the Authority or any other officer or employee having primary responsibility for the disbursement of funds of the Authority, which responsibility may be either permanent or temporary.

SECTION 104. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond", "coupon", "owner", "Holder" and "person" shall include the plural as well as the singular number, and the words "person" and "party" shall include corporations, associations and firms, including public bodies, as well as natural persons.

ARTICLE II

AUTHORIZATION, ISSUANCE AND GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 201. *Authorization of Bonds.* There is hereby established and created an issue of Bonds of the Authority to be known and designated as "General Transportation System Bonds", which said Bonds may be issued as hereinafter provided without limitation as to amount except as provided in this Resolution or as may be limited by law. There is hereby created by this Resolution, in the manner and to the extent provided herein, a continuing pledge and a lien to secure the full and final payment of the principal and Redemption Price of and interest on all of the Bonds issued pursuant to this Resolution. The Bonds shall be direct and general obligations of the Authority and the full faith and credit of the Authority are hereby pledged for the payment of the principal and Redemption Price of and interest on the Bonds. The payment of the principal and Redemption Price of and interest on the Bonds shall be further secured as provided in this Resolution and the Act.

SECTION 202. *Provisions for Issuance of Bonds.* The issuance of the Bonds pursuant to this Resolution shall be authorized by a Series Resolution or Series Resolutions of the Authority adopted subsequent

hereto and the Bonds may be issued in one or more Series. The Bonds of each Series shall, in addition to the title "General Transportation System Bond", contain an appropriate Series designation.

Each Series Resolution authorizing the issuance of a Series of Bonds shall also specify:

- (a) The authorized principal amount of said Series of Bonds;
- (b) The purposes for which such Series of Bonds is being issued, which may include (i) the establishment or crediting of Bond Proceeds Accounts and Capitalized Interest Accounts, as provided in Section 401, (ii) deposits into the Interest Account in the Debt Service Fund, (iii) the funding of notes theretofore issued by the Authority, and (iv) the refunding of Bonds and related purposes, as provided in Section 203;
- (c) The date, maturity date or dates and amounts of each maturity and the interest payment dates of the Bonds of said Series;
- (d) The interest rate or rates, or the manner of determining such rate or rates;
- (e) The denomination or denominations of, and the manner of numbering and lettering, the Bonds of such Series;
- (f) The Paying Agent or Paying Agents and, subject to the provisions of Section 703, the place or places of payment of the principal and Redemption Price, if any, of and interest on the Bonds of such Series;
- (g) The Redemption Price or Redemption Prices, if any, and, subject to Article III, the redemption terms, if any, for the Bonds of such Series;
- (h) The amount and due date of each Sinking Fund Installment for the Term Bonds of such Series, if any;
- (i) Provisions for the sale of the Bonds of such Series;
- (j) ~~The officer or employee of the Authority directed to attest manually the corporate seal (or facsimile thereof) on the Bonds of such Series;~~

amended
10/31/89

(k) The forms of the Bonds of such Series and of the coupons to be attached to the coupon Bonds, if any, of such Series: and

(l) Any other provisions deemed advisable by the Authority not in conflict with the provisions of this Resolution.

Bonds of a Series may be either Serial Bonds or Term Bonds, or a combination thereof. Each Series Resolution shall provide for principal maturities or Sinking Fund Installments, or both, as the case may be. All Bonds of each such Series of like maturity shall be identical in all respects, except as to denominations, numbers and letters, and except that they may be in either coupon or registered form.

Upon the original issuance of Bonds of any Series, the Authority shall deliver to the Fiscal Agent a certificate signed by an Authorized Officer setting forth a description of the Bonds so issued.

SECTION 203. *Provision for Refunding Issues.* Bonds of one or more Refunding Issues may be issued and delivered, subject to the provisions and limitations of this Section 203, for the purpose of refunding any Bonds then Outstanding. The Series Resolution authorizing each such Series of a Refunding Issue shall set forth that the purposes for which such Series is issued are the refunding of any part or all of the Bonds of any one or more Series then Outstanding, the payment into the Debt Service Fund of such amount or amounts, if any, as said Series Resolution shall determine, and, if the expenses of such issuance and redemption (where applicable) are not otherwise provided for, the payment of the expenses of such issuance and redemption, and shall contain a description of the Bonds so to be refunded.

The Authority shall not issue and deliver Bonds of a Refunding Issue unless:

(1)(a) The proceeds to be received by the Authority (inclusive of accrued interest) from the sale of the Bonds of such Series of the Refunding Issue, together with any other moneys of the Authority available for such purpose, are equal to or exceed the sum of (i) the aggregate applicable principal or Redemption Prices as the case may be of the Bonds so to be refunded, plus interest accrued thereon to maturity or redemption, and (ii) if the expenses

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of such issuance and redemption (where applicable) are not otherwise provided for, the expenses estimated by the Authority of such issuance and redemption; or

(b) the Fiscal Agent shall certify to the Authority that it has made satisfactory arrangements to purchase from the proceeds of the Refunding Issue direct obligations of the United States of America sufficient in principal amount and maturing at such times as, together with the interest thereon and income therefrom and together with any such proceeds which are not to be so invested and other available moneys, will provide the moneys needed for the purposes hereinabove specified in clause (a); and

(2) The Annual Debt Service Requirement, for the then current and each future calendar year during which debt service was scheduled to come due on the Bonds being refunded, with respect to the Bonds of the Refunding Issue, shall not exceed the Annual Debt Service Requirement, for the then current and each such future calendar year, with respect to the Bonds being refunded.

~~Except for any amount thereof to be deposited in the Debt Service Fund pursuant to the foregoing provisions of this Section, the proceeds (including accrued interest) of the Bonds of a Refunding Issue shall be deposited with the Fiscal Agent or the Paying Agents of the Bonds to be refunded to be held and set aside, with any other available moneys which are to be used for the purpose, in trust for the sole and exclusive purpose of paying the principal or Redemption Price of and interest on such Bonds and the expenses specified in this Section, subject to the right of the Authority to direct the investment thereof in direct obligations of the United States of America for the purpose and in accordance with the above provisions for such investment.~~

*Amended
7/27*

SECTION 204. The definitive Bonds may be issued as coupon Bonds, which may be registrable as to principal, in the denomination of \$5,000 each, or any multiple thereof, or as registered Bonds without coupons in denominations of \$5,000, or any multiple thereof. The privileges of registration, conversion, and exchange applicable to any Series of Bonds shall be as set forth in this Resolution, except as such privileges

may be limited by the Series Resolution providing for such Series. The definitive Bonds shall be in the forms prescribed by the Series Resolution authorizing the issuance thereof and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

SECTION 205. The Bonds shall be dated, shall bear interest until their payment at such rate or rates not exceeding the maximum rate provided by the Act or any amendment thereof, such interest to the respective maturities thereof being payable semi-annually on the 1st days of March and September in each year, and shall be stated to mature on March 1 of the year or years for which maturities are prescribed (subject to the right of prior redemption), all as herein provided; provided, however, that the first interest payment date on any Bonds may, if so provided in the Series Resolution authorizing the issuance of such Bonds, be more or less than six (6) months after the date of such Bonds.

Each coupon Bond shall bear interest from its date. Each registered Bond without coupons shall bear interest from its date and shall be dated as of the interest payment date next preceding the date of its delivery, unless delivered upon an interest payment date, in which case it shall be dated as of the date of its delivery or as of the same date as the coupon Bonds if delivered prior to the first interest payment date of such Bonds; provided, however, that if at the time of delivery of any registered Bond without coupons interest is in default, such Bonds shall be dated as of the date to which interest has been paid.

~~The Bonds shall 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 signature of such officer or employee of the Authority as shall be directed by the Series Resolution authorizing the issuance thereof, or in such other manner as may be required by law.~~

*amended
10/31/84*

The coupons attached to the coupon Bonds shall be executed with the facsimile signature of the Chairman of the Authority.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds or coupons shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and also any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

Both the principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal of coupon Bonds (unless registered) and the interest thereon shall be payable at the office of any Paying Agent for Bonds of such Series, at the option of the holder. The principal of all registered Bonds without coupons and of all coupon Bonds registered as to principal alone shall be payable at the principal office of the Fiscal Agent or at such other place or places as may be specified in the applicable Series Resolution, and payment of the interest on each registered Bond without coupons shall be made on each interest payment date to the person appearing on the registration books of the Authority hereinafter provided for as the registered owner thereof, by check or draft mailed to such registered owner at his address as it appears on such registration books. Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable. Payment of the interest on the coupon Bonds shall be made upon the presentation and surrender of the coupons, if any, representing such interest as the same respectively become due and payable.

SECTION 206. Coupon Bonds, upon surrender thereof at the principal office of the Fiscal Agent with all unmaturing coupons and all matured coupons in default, if any, appertaining thereto may, at the option of the holder or registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds without coupons of any denomination or denominations authorized by this Resolution, of the same Series and maturity, and bearing interest at the same rate. If such coupon Bonds shall be registered as to principal alone, unless

registered to bearer, they shall be accompanied by an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Fiscal Agent. Any coupon Bonds and coupons surrendered for exchange under this Section may be held by the Fiscal Agent for future exchanges.

Registered Bonds without coupons, upon surrender thereof at the principal office of the Fiscal Agent, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Fiscal Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of coupon Bonds of the same Series and maturity, bearing interest at the same rate and having attached thereto coupons representing all unpaid interest due or to become due thereon, or of registered Bonds without coupons of the same Series and maturity, of any denomination or denominations authorized by this Resolution, and bearing interest at the same rate.

The Authority shall make provision for the exchange of Bonds at the principal office of the Fiscal Agent.

SECTION 207. Title to any coupon Bond, unless such Bond is registered in the manner hereinafter provided, and to any interest coupon shall pass by delivery in the same manner as a negotiable instrument payable to bearer. The Fiscal Agent as Bond Registrar shall keep books for the registration and for the transfer of Bonds as provided in this Resolution. At the option of the bearer, any coupon Bond (but not any temporary Bond unless the Authority shall so provide) may be registered as to principal alone on such books upon presentation thereof to the Bond Registrar which shall make notation of such registration thereon. Any such Bond registered as to principal alone may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. Such transfer may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of any coupon Bond registered as to principal alone, unless registered to bearer, and the principal of any registered Bond with-

out coupons shall be payable only to or upon the order of the registered owner or his legal representative, but the coupons appertaining to any coupon Bond registered as to principal alone shall remain payable to bearer notwithstanding such registration.

Any registered Bond without coupons may be transferred only upon the books kept for the registration and transfer of Bonds, upon surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer the Authority shall execute in the name of the transferee, and the Fiscal Agent shall deliver in exchange for such Bond, a new registered Bond or Bonds without coupons, of any denomination or denominations authorized by this Resolution, or, at the option of the transferee, coupon Bonds with coupons attached representing all unpaid interest due or to become due thereon, in an aggregate principal amount equal to the principal amount of such registered Bond, of the same Series and maturity and bearing interest at the same rate.

Whenever required in cases in which Bonds shall be exchanged or registered Bonds without coupons shall be transferred hereunder, the Authority shall execute and the Fiscal Agent shall deliver at the earliest practicable time Bonds in accordance with the provisions of this Resolution. The Authority or the Fiscal Agent may make a charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new coupon Bond or registered Bond upon each exchange or transfer, and any other expenses of the Authority or the Fiscal Agent incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the Authority as a Current Expense. Neither the Authority nor the Fiscal Agent shall be required to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding an interest payment date on the Bonds or, in the case of any proposed

redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption.

SECTION 208. As to any coupon Bond registered as to principal alone or any registered Bond without coupons, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond and the interest on any such registered Bond without coupons shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the interest thereon to the extent of the sum or sums so paid. The Authority, the Fiscal Agent, the Bond Registrar and any Paying Agent may deem and treat the bearer of any coupon Bond which shall not at the time be registered as to principal, and the bearer of any coupon appertaining to any coupon Bond whether such Bond shall be registered as to principal or not, as the absolute owner of such Bond or coupon, as the case may be, whether such Bond or coupon shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Authority, the Fiscal Agent, the Bond Registrar nor any Paying Agent shall be affected by any notice to the contrary.

SECTION 209. Until definitive Bonds of any Series are ready for delivery, there may be executed and delivered, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary printed, engraved or lithographed Bonds, in the form of either bearer Bonds in the denomination of \$5,000 or any multiple thereof, with or without coupons and with or without the privilege of registration as to principal alone, or registered Bonds without coupons in denominations of \$5,000 or any multiple thereof, or both, as the Authority may by resolution provide.

Until definitive Bonds are ready for delivery, any temporary Bond may, if so provided by the Authority by resolution, be exchanged at the principal office of the Fiscal Agent, without expense to the holder thereof, for an equal aggregate principal amount of

temporary bearer Bonds or of temporary registered Bonds without coupons, or both, of like tenor, maturing on the same date and bearing interest at the same rate.

If temporary Bonds shall be issued, the Authority shall cause the definitive Bonds to be prepared and to be executed and delivered to the Fiscal Agent, and the Fiscal Agent, upon presentation to it at its principal office or at an office of a bank or trust company designated by the Fiscal Agent in the Borough of Manhattan, City and State of New York, of any temporary Bond accompanied by all unpaid coupons, if any, shall cancel the same and deliver in exchange therefor at either of such places at the option of the holder, without expense to the holder thereof, a definitive Bond or Bonds of an equal aggregate principal amount, of the same Series, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Upon any such exchange all coupons appertaining to definitive coupon Bonds and representing interest theretofore paid shall be detached and cancelled by the Trustee. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit of this Resolution as the definitive Bonds to be issued hereunder, except that temporary bearer Bonds shall not be entitled to the privilege of registration as to principal alone unless so provided by the Authority by resolution. Interest on temporary bearer Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid on presentation of such temporary bearer Bonds and notation of such payment shall be endorsed thereon, or such interest shall be paid upon the surrender of the appropriate coupons if coupons representing such interest shall be attached to such temporary Bonds.

SECTION 210. In case any Bond secured hereby shall become mutilated or be destroyed or lost, the Authority shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond and its interest coupons, if any, or in lieu of and in substitution for such Bond and its coupons, if any, destroyed or lost, upon the holder's paying the reasonable expenses and charges of the Authority and the Fiscal Agent in connection therewith and, in the case of a Bond

destroyed or lost. his filing with the Fiscal Agent evidence satisfactory to it and to the Authority that such Bond and coupons, if any, were destroyed or lost, and of his ownership thereof, and furnishing the Authority and the Fiscal Agent with indemnity satisfactory to them.

ARTICLE III

REDEMPTION OF BONDS

SECTION 301. Bonds subject to redemption prior to maturity pursuant to the provisions of a Series Resolution shall be redeemable, upon published notice as provided in this Article III, at such times, at such Redemption Prices and upon such terms as may be specified in the Series Resolution authorizing such Series.

SECTION 302. In the case of any redemption of Bonds the Authority shall give written notice to the Fiscal Agent of its election or direction so to redeem, of the redemption date, of the Series, of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in this Resolution and any Series Resolution) and of the moneys to be applied to the payment of the Redemption Price. Such notice shall be given at least forty (40) days prior to the redemption date or such shorter period as shall be acceptable to the Fiscal Agent. In the event notice of redemption shall have been given as in Section 304 provided, the Authority shall, prior to the redemption date, pay to the Fiscal Agent an amount in cash which, in addition to other moneys, if any, available therefor held by the Fiscal Agent and Paying Agents, will be sufficient to redeem, on the redemption date at the Redemption Price thereof and accrued interest thereon to the redemption date, all of the Bonds to be redeemed.

SECTION 303. In the event of redemption of less than all the Outstanding Bonds of like Series and maturity, the Fiscal Agent shall assign to each such Outstanding registered Bond of the Series and

maturity to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination of the coupon Bonds of such Series and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers of all such coupon Bonds then Outstanding and the numbers assigned to such registered Bonds as many numbers as, at the unit amount equal to the Bonds of such Series for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Fiscal Agent may draw the Bonds by lot (a) individually or (b) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the denomination of the coupon Bonds of such Series, by the numbers assigned thereto as herein provided) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Fiscal Agent may determine. The Fiscal Agent may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond in a denomination larger than the denomination of the coupon Bonds of such Series for redemption. The Bonds to be redeemed shall be the coupon Bonds bearing the numbers so selected and the registered Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such registered Bond shall be redeemed as shall equal the denomination of the coupon Bonds of such Series for each number assigned to it and so selected.

SECTION 304. When the Fiscal Agent shall receive notice from the Authority of its election or direction to redeem Bonds pursuant to Section 302, the Fiscal Agent shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letter and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of registered Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be

redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of registered Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given by publication once a week for at least two (2) successive weeks in a daily newspaper of general circulation in the City of Boston, Massachusetts, and in a daily newspaper of general circulation or in a financial journal published in the Borough of Manhattan, City and State of New York, the first such publications to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. The Fiscal Agent shall also mail a copy of such notice, postage prepaid, not less than thirty (30) days before the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed at their last addresses, if any, appearing upon the registry books, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of Bonds.

SECTION 305. Notice having been given by publication in the manner provided in Section 304, the Bonds, or portions thereof, 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 offices specified in such notice, together with, in the case of Bonds registered otherwise than to bearer presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, and, in the case of coupon Bonds, all appurtenant coupons maturing subsequent to the redemption date, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date not represented by coupons for matured interest installments. All interest installments represented by coupons which shall have matured on or prior to the redemption date shall continue to be payable to the bearers of such coupons. If there shall be drawn for redemption less than all of a registered Bond, the Authority shall execute and deliver, upon the surrender of such Bond, without charge

to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, at the option of the owner thereof, either coupon Bonds or registered Bonds of like Series and maturity in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all of the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Fiscal Agent and Paying Agents so as to be available therefor on said date, and if notice of redemption shall have been published as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable, and the coupons for interest appertaining thereto maturing subsequent to the redemption date shall be void, and said Bonds or portions thereof, and said coupons shall not thereafter be deemed to be Outstanding under the provisions of this Resolution. If said moneys shall not be so available on the redemption date, such Bonds, or portions thereof, shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 306 added 11/20/91

ARTICLE IV

CUSTODY AND APPLICATION OF CERTAIN BOND PROCEEDS

SECTION 401. (a) A series of special trust funds, which shall each be deposited with and held by one or more Depositories, are hereby created and established and designated collectively as the "Massachusetts Bay Transportation Authority Bond Proceeds Accounts" (hereinafter sometimes called "Bond Proceeds Accounts"), to the credit of which deposits shall be made as hereinafter required. Each Series Resolution authorizing the issuance of a Series of Bonds, except a Series Resolution authorizing the issuance of a Refunding Issue, shall establish a separate Bond Proceeds Account for each Purpose for which Bonds shall be authorized to be issued pursuant to such Series Resolution or shall designate such an account which shall have previously been established for the same Purpose. Each such Bond Proceeds Account shall be established with an appropriate designation containing a reference to the Purpose for which established. As promptly as practicable after the issuance, sale and delivery of any Series of Bonds, except a

Refunding Issue, the Authority shall pay into each Bond Proceeds Account established or designated by the Series Resolution authorizing the issuance of such Bonds the amount of the proceeds derived from the sale of such Series of Bonds as shall be allocated in said Series Resolution for the Purpose of such Account. The Authority may also deposit into any Bond Proceeds Account so established any other funds to be expended for the Purpose for which such Account was established. Moneys so deposited in a Bond Proceeds Account shall be used by the Authority for the Purpose for which such Account was established as provided in this Article.

(b) A series of special trust funds, which shall each be deposited with and held by the Fiscal Agent, are hereby created and established and designated collectively as the "Massachusetts Bay Transportation Authority Capitalized Interest Accounts" (hereinafter sometimes called "Capitalized Interest Accounts"), to the credit of which deposits shall be made as hereinafter required. Whenever the Authority determines to capitalize interest with respect to any Bonds (other than a Refunding Issue) issued or to be issued for any Purpose, an applicable Series Resolution shall establish a separate account in the Capitalized Interest Accounts for the Bonds authorized for such Purpose. Each such Capitalized Interest Account shall be established with an appropriate designation containing reference to the Purpose of the Bonds with respect to which such Account is being established. As promptly as practicable after the issuance, sale and delivery of any Series of Bonds, the Authority shall pay into each Capitalized Interest Account the amount of the proceeds of the sale of said Bonds which has been designated by such Series Resolution to be used for the purpose of paying interest on Bonds issued with respect to the Purpose for which such Capitalized Interest Account was established. Moneys in each Capitalized Interest Account shall be transferred from time to time by the Fiscal Agent to the Interest Account for the purpose of paying interest on such Bonds, or paid by the Fiscal Agent to the Authority to reimburse the Authority for any such interest paid by the Authority from sources other than the Bond Proceeds Accounts or Debt Service Fund, all as directed by the Authority from time to time by a writing signed by an Authorized Officer. Whenever it shall be certified to the Fiscal Agent by the Authority in a writing signed by an Authorized Officer that no further interest on such Bonds is to be met from the moneys in

such Capitalized Interest Account, the balance therein shall be transferred to one or more Bond Proceeds Accounts established with respect to the same or a like Purpose. Interest which is properly includable in the cost of any Purpose may also be transferred to the Interest Account, or reimbursed to the Authority, from a Bond Proceeds Account established with respect to such Purpose.

SECTION 402. (a) Except as otherwise provided in this Resolution, the moneys deposited to the credit of each Bond Proceeds Account pursuant to the provisions of a Series Resolution, including all obligations held as investments thereof and the proceeds of such investments, shall be held in trust and applied only to the Purpose for which such Bond Proceeds Account was established, in accordance with the provisions of this Article, and are hereby assigned to and pledged to the Depositary thereof, pending such application, for the benefit of the Holders of the Bonds of the Series from which such moneys were derived and for the security of the payment of the principal of and interest on such Bonds, and shall at all times be subject to the lien of such assignment and pledge until paid out and transferred as herein provided.

(b) Except as otherwise provided in this Resolution, the moneys deposited to the credit of each Capitalized Interest Account, including all obligations held as investments thereof and the proceeds of such investments, shall be held in trust and applied only for the purpose of paying interest on the Bonds in respect of which such moneys have been set aside in said Capitalized Interest Account by transfers or as reimbursement, in accordance with the provisions of this Article, and are hereby assigned to and pledged to the Fiscal Agent, pending such application, for the benefit of the Holders of the Bonds of the Series from which such moneys were derived and for the security of the payment of the principal of and interest on such Bonds, and shall at all times be subject to the lien of such assignment and pledge until transferred as herein provided.

SECTION 403. The Authority shall apply the moneys in each Bond Proceeds Account to the Purpose for which it was established or to reimburse the Authority for expenditures made by the Authority for such Purpose. On or before the twentieth (20th) day of each calendar

month the Authority shall file a written report with the Fiscal Agent signed by an Authorized Officer and setting forth in respect to each payment so made or reimbursed during the prior calendar month:

- (i) the Bond Proceeds Account from which the payment was made;
- (ii) the item number of the payment (payments for each Purpose shall be separately identified and numbered);
- (iii) the name of the person or party to whom the payment was made;
- (iv) the amount paid;
- (v) the purpose, by general classification, for which the payment was made; and
- (vi) that the payment is a proper charge against such Bond Proceeds Account.

Payroll and other payments which are not individually substantial in relation to the cost of the Purpose may be grouped for the purposes of clauses (ii) and (iv) above and the names of the payees omitted. Withdrawals from stock or inventory of the Authority may be similarly grouped.

Each such report shall also set forth any transfers made by the Authority from one Depository to another within each Bond Proceeds Account during the prior month.

Each such report shall be retained in the possession of the Fiscal Agent, subject at all times during normal business hours to the inspection of Bondholders and their agents and representatives, but the Fiscal Agent shall have no other duties with respect thereto.

SECTION 404. Within one hundred twenty (120) days after the close of each Fiscal Year, the Authority shall file with the Fiscal Agent a copy of a report for such Fiscal Year, certified by an Accountant, and setting forth in reasonable detail the transactions in each Bond Proceeds Account, including any investment thereof. Any such report may be incorporated in an annual report filed pursuant to Section 706. A copy of each such annual report shall be mailed by the Authority to

each Bondholder who shall have filed his name and address with the Authority for such purpose. The Fiscal Agent shall have no duty with respect to such report except to make the same available for inspection by Bondholders and their agents or representatives.

SECTION 405. Upon the filing with the Fiscal Agent of a certificate of an Authorized Officer stating that (a) the Purpose for the payment of which moneys have been deposited in a Bond Proceeds Account has been accomplished in accordance with the provisions of the Series Resolution establishing such Account and (b) after the withdrawal of the moneys proposed to be withdrawn from such Bond Proceeds Account pursuant to this Section 405, there will remain in such Bond Proceeds Account, in his opinion, an amount sufficient to pay all items then remaining unpaid, including the estimated amount of any such items the amount of which is not finally determined and all known claims against the Authority arising out of the Purpose to be paid for from such Bond Proceeds Account, the Authority may transfer the balance certified to be remaining in such Bond Proceeds Account, after subtracting therefrom the sum, if any, stated in the Authorized Officer's certificate to be kept in said Account, to another Bond Proceeds Account designated by the Authority in such certificate and established for a like Purpose (a Purpose within the same numbered clause of Section 23 of the Act being deemed a like Purpose within the meaning of this provision), or, to the extent permitted by law, for a different Purpose, or, to the Fiscal Agent who shall deposit such moneys into the Debt Service Fund.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

SECTION 501. The following special Funds and Accounts shall be established and maintained pursuant to the provisions of this Resolution.

- (a) Revenue Fund
- (b) Operating Fund
- (c) Debt Service Fund
 - (i) Interest Account
 - (ii) Serial Bond Account
 - (iii) Sinking Fund Account

SECTION 502. The Authority covenants and agrees that, subject to the terms and provisions of any existing leases, licenses, franchises, contracts or permits, upon the issuance of any Bonds pursuant to this Resolution, all Revenues held or collected by the Authority shall be deposited daily, in so far as practicable, in a special fund to be held and administered by the Authority and to be designated "Revenue Fund." The Revenue Fund may be maintained by the Authority with one (1) or more Depositories, as shall be determined by the Authority. Moneys and securities, if any, from time to time in the Revenue Fund shall be trust funds of the Authority for the uses and purposes provided in the Act and this Resolution and shall be paid out for the uses and purposes for which said moneys are required to be used and applied by the Act, as amended from time to time, and this Resolution.

SECTION 503. The Authority shall also create and maintain a special fund to be held and administered by the Authority and to be designated "Operating Fund." The Operating Fund may be maintained by the Authority with one (1) or more Depositories, either as a part of or separate from the Revenue Fund, as shall be determined by the Authority. From moneys in the Revenue Fund, the Authority may credit to the Operating Fund, from time to time, such amounts as the Authority, in its discretion, shall determine. The Authority may establish within the Operating Fund such special funds and accounts and reserves as may now or hereafter be permitted by law and as it shall, in its discretion, determine to establish. The Authority shall pay from the Operating Fund or the Revenue Fund the Current Expenses of the Transportation System. The Authority may also pay from the Operating Fund or the Revenue Fund such other items, claims, obligations and charges as the Authority may now or hereafter be required or permitted by law to pay from said Funds.

SECTION 504. There is hereby created a special fund to be known as the "Debt Service Fund," which shall be held by the Fiscal Agent and which shall be used solely for the purpose of paying the principal or Redemption Price of and interest on the Bonds and of retiring such Bonds prior to maturity in the manner herein and in any Series Resolution provided. The Authority hereby obligates and binds itself irrevocably to set aside and to pay, from time to time, out of the moneys in the

Revenue Fund, to the Fiscal Agent in trust for the purposes of the Debt Service Fund, all moneys in the Revenue Fund not required for the payment of Current Expenses, the establishment of special funds and accounts and reserves or the payment of obligations of, claims against or liabilities of the Authority, to the extent necessary to bring the balances in the Interest Account, the Serial Bond Account and the Sinking Fund Account up to the amounts hereinafter specified in this Section. Such amounts so paid to the Fiscal Agent and deposited into the Debt Service Fund shall be used and applied in the following manner and order:

(a) There is hereby created a special account to be known as the "Interest Account" in the Debt Service Fund, and the Fiscal Agent shall deposit into the Debt Service Fund to the credit of the Interest Account such amount thereof (or the entire sum so available if less than the required amount) as may be required, together with any other moneys of the Authority available in such Account for such purpose, to make the amount then on deposit to the credit of the Interest Account equal to the unpaid interest due or becoming due on the Outstanding Bonds on or before the next succeeding interest payment date of the Bonds or on or before the day this paragraph is applied if such day is an interest payment date.

(b) There is hereby created a special account to be known as the "Serial Bond Account" in the Debt Service Fund, and the Fiscal Agent shall deposit into the Debt Service Fund to the credit of the Serial Bond Account such amount thereof (or the entire sum so available if less than the required amount) as may be required, together with any other moneys of the Authority available in such Account for such purpose, to make the amount then on deposit to the credit of the Serial Bond Account equal to the unpaid principal due or becoming due on the Outstanding Serial Bonds on or before the next succeeding March 1 or on or before the day this paragraph is applied if such day is a March 1.

(c) There is hereby created a special account to be known as the "Sinking Fund Account" in the Debt Service Fund, and in the twelve (12) months period beginning fifteen (15) months prior to the due date of the first Sinking Fund Installment established for a Series of Bonds, and in each twelve (12) months thereafter, the Fiscal Agent shall deposit into the Debt Service

Fund to the credit of the Sinking Fund Account such amount thereof (or the entire sum so available if less than the required amount) as may be required, together with any other moneys of the Authority available in such Account for such purpose, to make the amount then on deposit to the credit of the Sinking Fund Account at the end of such twelve (12) months period equal to the unpaid Sinking Fund Installments due or becoming due on or before the next succeeding March 1, plus the amount required to pay the premium, if any, due upon the redemption of the Term Bonds of such Series of Bonds on such Sinking Fund Installment due date. The Fiscal Agent shall establish in the Sinking Fund Account a separate Account for the Term Bonds of each Series Outstanding and shall deposit in each such account the installments hereinabove provided applicable to such Term Bonds. The amount of moneys set aside in the Sinking Fund Account in respect of Sinking Fund Installments established for a Series of Bonds shall be applied, to the extent then available, on the due date of each Sinking Fund Installment to the redemption of the Term Bonds of the series in respect of which such moneys have been deposited in the Sinking Fund Account, to the extent the same are then subject to redemption, in the manner provided in this Resolution or to the payment of any principal then due on such Term Bonds. The Fiscal Agent may, at any time, in its sole discretion, purchase Term Bonds or portions of Term Bonds whether or not such Term Bonds or portions thereof shall then be subject to redemption, at prices not to exceed the Redemption Price which would be payable on the next succeeding redemption date to the Holders of such Term Bonds. The Fiscal Agent shall pay the interest accrued on such Term Bonds or portions thereof to the date of purchase or redemption under this paragraph from the Interest Account and shall pay the balance of the purchase price and the Redemption Price from the Sinking Fund Account. No such purchase shall be made by the Fiscal Agent within a period of forty-five (45) days next preceding any interest payment date on which such Term Bonds are subject to redemption under the provisions of any Series Resolution, except from monies in excess of amounts required to be set aside for redemption of Term Bonds. The Fiscal Agent shall call by lot for redemption on each interest payment date on which the Term Bonds of a Series are subject to redemption as many of such Term Bonds

as is possible from the balance of the moneys on deposit in the separate Account established for such Term Bonds in the Sinking Fund account in respect of such Term Bonds; provided, however, that the Fiscal Agent shall not be required to call any Term Bonds for redemption unless the amount of moneys in the separate Account established for such Term Bonds in the Sinking Fund Account available for the retirement thereof is at least \$25,000. Not more than five (5) days nor less than one (1) day prior to the date fixed for redemption of any Term Bonds, the Fiscal Agent shall withdraw from the Interest Account and from the separate Account established for such Term Bonds in the Sinking Fund Account and shall pay to itself and the appropriate Paying Agents the respective amounts required for paying the interest on and the Redemption Price of the Term Bonds or portions of the Term Bonds so called for redemption.

(d) In addition to the deposits into the Debt Service Fund required to be made pursuant to the foregoing provisions of this Section 504, the Authority shall also pay or cause to be paid to the Fiscal Agent for deposit into the appropriate Account in the Debt Service Fund (1) all moneys received as Contract Assistance pursuant to the provisions of the Contract For Financial Assistance, (2) all moneys received from the Commonwealth or the State Treasurer pursuant to Sections 12 and 13 of the Act or otherwise pursuant to law for the purpose of paying debt service on the Bonds, and (3) all moneys borrowed by the Authority pursuant to Section 12 of the Act or otherwise pursuant to law for the purpose of paying debt service on the Bonds, except to the extent that any such moneys represent reimbursement to the Authority for debt service on the Bonds already paid by the Authority. Sums deposited under this paragraph shall be taken into account in determining the sums required to be deposited under the foregoing paragraphs of this Section. Moneys referred to in clauses (1) and (2) of this paragraph shall be so paid to the Fiscal Agent upon receipt by the Authority. Moneys referred to in clause (3) of this paragraph shall be so paid not later than one day before such debt service is due.

(e) Moneys in the Debt Service Fund to be applied to the payment of the principal and Redemption Price of and interest on the Bonds shall be transmitted by the Fiscal Agent to itself and the

appropriate Paying Agents not more than five (5) days nor less than one (1) day prior to the date upon which any interest or principal is due, either by maturity or redemption prior to maturity, in amounts sufficient to meet such maturing installments of principal and interest and the Redemption Price of Bonds redeemed.

Whenever the assets of the Debt Service Fund shall be sufficient in the aggregate to provide moneys to pay or redeem all Bonds then Outstanding, including such interest thereon as may thereafter become due and payable, whether at maturity or upon the redemption thereof, no further payments need be made into the Debt Service Fund.

Moneys set aside from time to time with the Fiscal Agent or the Paying Agents for the purpose of paying the principal or Redemption Price of and interest on particular Bonds shall be held in trust for the Holders of the Bonds and appurtenant coupons in respect of which the same shall have been so set aside. Until so set aside for the payment of principal or Redemption Price of and interest on the Bonds as aforesaid, all moneys in the Debt Service Fund deposited therein for the purpose of paying the principal or Redemption Price of and interest on the Bonds shall be held in trust for the benefit of the Holders of all Bonds and coupons at the time Outstanding equally and ratably and without preference or distinction as between Bonds of different Series, installments or maturities, except that moneys on deposit in the separate Accounts established for Term Bonds of each Series in the Sinking Fund Account shall be held in trust for and applied to the payment of the principal and Redemption Price of the Term Bonds of the Series for which the applicable Account was established, subject, however, to Section 804 hereof.

All moneys deposited to the credit of the Debt Service Fund, including all obligations held as investments thereof and the proceeds of such investments, are hereby assigned to and pledged to the Fiscal Agent, pending application thereof as herein provided, for the benefit of the Holders of the Bonds and for the security of the payment of the principal and Redemption Price of and interest on the Bonds, and shall at all times be subject to the lien of such assignment and pledge until paid out of the Debt Service Fund as in this Resolution provided.

SECTION 505. Any moneys of the Authority derived from Revenues or otherwise and not required to be used or applied as in this

Resolution provided shall be used and applied by the Authority as required by the Act or other provision of law or as the Authority may otherwise lawfully determine and provide.

ARTICLE VI

DEPOSIT OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

SECTION 601. All moneys received by the Authority under the provisions of this Resolution shall be deposited with the Fiscal Agent or one or more Depositaries. All moneys deposited under the provisions of this Resolution with the Fiscal Agent or any Depository shall be held in trust and applied only in accordance with the provisions of this Resolution, and shall not be subject to lien or attachment by any creditor of the Authority.

No moneys shall be deposited with the Fiscal Agent or any Depository in an amount exceeding sixty per centum (60%) of the amount which an officer of the Fiscal Agent or such Depository shall certify to the Authority as the combined capital and surplus of the Fiscal Agent or such Depository, excepting amounts which are secured pursuant to the following paragraph.

All moneys deposited with the Fiscal Agent or any Depository hereunder in excess of the limit stated in the foregoing paragraph shall be continuously secured, for the benefit of the Authority and the Holders of the Bonds, either (a) by lodging with a bank or trust company approved by the Fiscal Agent and the Authority as custodian, as collateral security, direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States Government, or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Paying Agents

to give security for the deposit of any moneys with them for the payment of the principal of or the Redemption Price or the interest on any Bonds issued hereunder, or for the Fiscal Agent or any Depository to give security for any moneys which shall be represented by obligations purchased under the provisions of this Article as an investment of such moneys.

All moneys deposited with or in the name of the Fiscal Agent as such shall be credited to the particular Fund or Account to which such moneys belong.

SECTION 602. (a) Upon or after the establishment of any Bond Proceeds Account, the Authority may furnish any Depository thereof with a schedule of dates on which it is estimated by the Authority that the moneys held by such Depository in said account will be required for the Purpose to which said Account relates. Such schedule may be amended from time to time. Upon receipt of such schedule and direction of the Authority, the Depository shall invest and reinvest, in direct obligations of, or obligations guaranteed by the United States of America or any agency or instrumentality thereof, the moneys so held in said Account so that the maturity date or date of redemption at the option of the holder of such obligations shall coincide as nearly as practicable with the times at which such moneys are needed by the Authority for the Purpose to which the Account relates. The obligations purchased shall be held by the Depository and such obligations shall be deemed at all times to be a part of the applicable Bond Proceeds Account, and the Depository shall at all times keep the Authority advised as to the details of all investments held by it for the credit of the Bond Proceeds Accounts.

(b) Upon or after the establishment of any Capitalized Interest Account, the Authority may furnish the Fiscal Agent with a schedule of dates on which it is estimated by the Authority that the moneys in said account will be required for the payment of interest. Such schedule may be amended from time to time. Upon receipt of such schedule and direction by the Authority, the Fiscal Agent shall invest and reinvest, in direct obligations of the United States of America, the moneys in said Account so that the maturity date or date of redemption at the option of the holder of such obligations shall coincide as nearly as practicable with the times at which moneys are needed for the payment

of interest. The obligations purchased shall be held by the Fiscal Agent and shall be deemed at all times to be part of the applicable Capitalized Interest Account, and the Fiscal Agent shall at all times keep the Authority advised as to the details of all investments held by it for the credit of the Capitalized Interest Accounts.

(c) In lieu of the investments of moneys as authorized in paragraphs (a) and (b) above, the Depository or the Fiscal Agent shall, upon direction of the Authority in writing, signed by an Authorized Officer, deposit moneys from the Bond Proceeds Accounts or Capitalized Interest Accounts in interest-bearing time deposits, or shall make other similar banking arrangements, with itself or a member bank or banks of the Federal Reserve System; provided, that each such interest-bearing time deposit or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and provided, further, that no moneys shall be deposited with any one banking institution in excess of sixty per centum (60%) of the amount which an officer of such institution shall certify to the Authority as the combined capital and surplus of such institution, less any other amounts deposited therein which are subject to the limit contained in the second paragraph of Section 601 hereof. There shall be excepted from the foregoing proviso an amount of each such deposit or other similar banking arrangement equal to the market value of obligations eligible for investment under paragraph (a) or (b) above, as the case may be, which are continuously provided as security therefor.

(d) The income or interest earned by, or net increment to a Bond Proceeds Account due to the investment thereof shall be retained therein or transferred to one or more Capitalized Interest Accounts established with respect to the same or a like Purpose or transferred to the Authority or, to the extent permitted by law, transferred to any other fund or account hereunder, as may be directed from time to time by the Authority in writing, signed by an Authorized Officer. The income or interest earned by, or net increment to, a Capitalized Interest Account due to the investment thereof shall be retained therein or transferred to one or more Bond Proceeds Accounts established with respect to the same or a like Purpose or transferred to the Authority or,

to the extent permitted by law, transferred to any other fund or account hereunder, as may be similarly directed. The Fiscal Agent or a Depositary shall sell at the best price obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Account for which such investment was made.

SECTION 603. (a) Moneys in the Interest Account, Serial Bond Account and Sinking Fund Account shall be invested by the Fiscal Agent in direct obligations of the United States of America the maturity or redemption date at the option of the holder of which shall coincide as nearly as practicable with the times at which moneys in said Accounts will be required for the purposes in this Resolution provided.

(b) Obligations purchased as an investment of moneys in any Fund or Account held by the Fiscal Agent under the provisions of this Section 603 shall be deemed at all times to be a part of such Fund or Account and the income or interest earned by, or net increment to, a Fund or Account due to the investment thereof shall, as realized, be transferred by the Fiscal Agent to the Authority for deposit in the Revenue Fund.

(c) In lieu of the investment of moneys in direct obligations of the United States of America as authorized in subsection (a) above, the Fiscal Agent shall, upon direction of the Authority in writing signed by an Authorized Officer, deposit moneys from any Fund or Account maintained with it in interest-bearing time deposits, or shall make other similar banking arrangements, with itself or a member bank or banks of the Federal Reserve System; provided that each such interest-bearing time deposit or other similar banking arrangement shall be continuously and fully secured by direct obligations of the United States of America of a market value equal at all time to the amount of the deposit or of the other similar banking arrangement.

(d) In computing the amount in any Fund or Account held by the Fiscal Agent under the provisions of this Section 603, obligations purchased as an investment of moneys therein shall be valued at the cost or market price thereof, whichever is lower, exclusive of accrued interest.

(e) The Fiscal Agent shall sell at the best price obtainable, or present for redemption, any obligation purchased by it as an investment

whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made.

SECTION 604. Neither the Fiscal Agent nor any Depository shall be liable or responsible for the making of any investment or deposit authorized by the provisions of this Article, in the manner provided in this Article, nor for any loss resulting from any such investment or deposit so made.

SECTION 605. Any moneys in either the Revenue Fund or Operating Fund, in the discretion of the Authority, may be invested by the Authority, or the Depository holding the same, upon direction of the Authority, in such manner as is authorized or permitted by law; provided, however, that the maturity date or date of redemption at the option of the holder of the obligations in which any such investments shall be made shall coincide as nearly as practicable with the time or times at which the moneys so invested are determined by the Authority to be needed for the purposes for which deposited in the Fund for which the investment is made.

ARTICLE VII

PARTICULAR COVENANTS

SECTION 701. The Authority covenants and declares that it has good and lawful right and power and is fully authorized to adopt this Resolution, to secure the payment of the Bonds and the interest thereon as provided in this Resolution, to enter into the covenants and agreements contained in this Resolution, and to do and perform all the acts and things provided in this Resolution for it to do and perform according to the terms and provisions hereof.

SECTION 702. The Authority covenants that it will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the coupons or claims for interest by the purchase or funding of such Bonds, coupons or claims for interest or by any other arrangement, and, in case the maturity of

any of the Bonds or the time for payment of any such coupons or claims for interest shall be extended, such Bonds, coupons or claims for interest shall not be entitled in case of any default under this Resolution to the benefit of this Resolution or to any payment out of any assets of the Authority or the Funds or Accounts (except funds held in trust for the payment of particular Bonds, coupons or claims for interest pursuant to this Resolution) held by the Fiscal Agent, any Depository or any Paying Agent, except subject to the prior payment of the principal of all Bonds issued and Outstanding, the maturity of which has not been extended, and of such portion of the accrued interest on the Bonds as shall not be represented by such extended coupons or claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Bonds of a Refunding Issue, as provided in Section 203, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

SECTION 703. The Authority covenants that it will promptly pay the principal or Redemption Price of and the interest on every Bond issued under the provisions of this Resolution at the places, on the dates and in the manner provided herein and in said Bonds and in any coupons appertaining to said Bonds, according to the true intent and meaning thereof.

The Authority covenants that so long as any Bonds of a Series shall be outstanding it will cause offices or agencies where the coupon Bonds, not registered as to principal, and coupons may be presented for payment to be maintained in each of the cities specified in the applicable Series Resolution.

SECTION 704. The Authority covenants, subject to existing contractual obligations and the requirements of any applicable legislation, that it will establish and enforce reasonable procedures governing the employment of personnel, that all conditions of employment and all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Transportation System will be reasonable, that no more persons will be employed by it than are necessary, that it will establish where appropriate adequate tests and standards for employment of competent personnel and that all persons employed by it will be qualified for their respective positions.

The Authority further covenants that it will prepare and maintain appropriate employment records as to all positions and employees.

SECTION 705. The Authority covenants that it will establish and enforce reasonable rules and regulations governing the acquisition, construction, maintenance, repair, operation and use of the Transportation System, that it will maintain and operate, or cause to be maintained and operated, the Transportation System in an efficient and economical manner providing only such service thereby or by contract as may reasonably be required in the area served, that it will at all times maintain or cause to be maintained the same in good repair and in sound operating condition and will make or cause to be made all necessary repairs, renewals and replacements, that it will fully observe and perform all of the terms and conditions contained in the Act and other applicable provisions of law relating to its affairs, and that it will comply with all valid rules, regulations, orders and directions of any executive, administrative, regulatory or judicial body applicable to it.

The Authority shall, at least once in each Fiscal Year, cause its General Manager to file a written report with the Authority and the Fiscal Agent setting forth his opinion with respect to the status of repair, working order and operating condition of the Transportation System and his recommendations with respect to actions to be taken thereon by the Authority, and the Authority shall take into consideration said report and the recommendations contained therein when preparing and adopting its Budget, when planning and carrying out its capital improvement program, and when providing for the operation, maintenance and repair of the Transportation System. The Fiscal Agent shall have no duty with respect to such report except to make the same available for inspection by Bondholders and their agents or representatives.

SECTION 706. The Authority shall keep proper books of record and account in which complete and correct entries shall be made of its transactions relating to the Revenues and all Funds and Accounts established by this Resolution. Such books of record and account shall be kept in accordance with generally accepted accounting principles to the extent consistent with the provisions of the Act, as from time to

time amended. The books of record and account of the Authority shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than five per cent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

The Authority shall annually, within one hundred twenty (120) days after the close of each Fiscal Year, file with the Fiscal Agent a copy of a report for such Fiscal Year, certified by an Accountant and setting forth in reasonable detail: (a) its receipts and expenditures during such Fiscal Year in accordance with the categories or classifications established by the Authority for its operating and capital outlay purposes; (b) its net cost of service or net saving, as defined in the Act as the same may from time to time be amended; (c) its assets and liabilities at the end of such Fiscal Year, including the status of reserve, special or other funds and the Funds and Accounts established by this Resolution; and (d) a schedule of its Bonds and other obligations Outstanding at the end of such Fiscal Year, together with a statement of the amounts paid, redeemed and issued during such Fiscal Year. A copy of each such annual report shall be mailed by the Authority to each Bondholder who shall have filed his name and address with the Authority for such purpose. The Fiscal Agent shall have no duty with respect to such report except to make the same available for inspection by Bondholders and their agents or representatives.

SECTION 707. The Authority shall adopt a budget during each Fiscal Year covering its fiscal operations for the succeeding Fiscal Year at the time and in the manner provided in subsection (i) of Section 5 of the Act, or at such other time and in such other manner as may be otherwise required by law, and file the same with the Fiscal Agent. The Fiscal Agent shall have no duty with respect to any such budget except to make the same available for inspection by Bondholders and their agents or representatives.

SECTION 708. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension law or any other law limiting or otherwise affecting the enforcement of creditors rights now or at any time

SECTION 712. The Authority shall continuously operate the Transportation System owned by it or under its jurisdiction in accordance with the provisions of law and this Resolution.

SECTION 713. (1) The Authority shall not, after the issuance of the first Series of Bonds, create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a charge and lien on the Revenues or Contract Assistance or which will be payable from any of the Accounts and Funds established pursuant to this Resolution, except as in Section 203 hereof and hereinafter in this Section 713 expressly provided or permitted.

(2) Series of Additional Bonds may be issued from time to time pursuant to a Series Resolution subsequent to the issuance of the initial Series of Bonds under this Resolution on a parity with the initial Series of Bonds and secured by an equal charge and lien on the Revenues and payable equally from the Debt Service Fund for any lawful purpose of the Authority, including, but not limited to, the funding or refunding of any MTA Obligations, subject to the following conditions and limitations:

(a) the principal amount of the Additional Bonds then to be issued, together with the principal amount of the Bonds and other obligations of the Authority theretofore issued, will not exceed in aggregate principal amount any limitation thereon imposed by law;

(b) there shall not be, at the time of issuance of such Additional Bonds, any deficiency in the amounts required by this Resolution or any Series Resolution to be paid into the Debt Service Fund and no event of default, as defined in Section 802 of this Resolution, shall then exist; and

(c) the provisions of Sections 12 and 13 of the Act providing security for the payment of the principal of and interest on the Bonds shall not have been repealed or amended in any way detrimental to the Holders of Outstanding Bonds.

(3) The Authority may issue bond anticipation notes in anticipation of the issuance of Bonds; provided that the principal amount of such notes issued and outstanding at any one time for any Purpose shall not exceed the principal amount of the unissued Additional Bonds

which the Authority may lawfully issue for such Purpose. When Bonds or bond anticipation notes are or shall have been issued to fund or refund any bond anticipation notes, the bond anticipation notes so funded or refunded shall not be deemed to be outstanding for the purposes of the foregoing limit. Bond anticipation notes may be issued either before or after the adoption of the Series Resolution authorizing the Additional Bonds in anticipation of which said notes are issued.

(4) Notwithstanding the foregoing provisions of this Section 713 or any other provisions of this Resolution, the Authority hereby reserves the right to issue from time to time bonds and other obligations payable solely from Revenues and other special funds not deposited or required to be deposited in the Bond Proceeds Accounts, Capitalized Interest Accounts or Debt Service Fund, which obligations may be secured by a prior lien on and pledge of such moneys superior to the lien and pledge herein made for the benefit of the Holders of the Bonds and as security for the payment of the principal and Redemption Price of and interest on the Bonds; provided, however, that, at the time of and immediately after the issuance of any such bonds or other obligations so secured, there shall be no deficiency in the amounts required by the Resolution or any Series Resolution to be paid into the Debt Service Fund, no event of default, as defined in Section 802 of this Resolution, shall then exist, and the provisions of Section 12 and 13 of the Act providing security for the payment of the principal of and interest on the Bonds shall not have been repealed or amended in any way detrimental to the Holders of Outstanding Bonds.

(5) Notwithstanding the foregoing provisions of this Section 713 or any other provisions of this Resolution, the Authority hereby reserves the right to issue at any time and from time to time, pursuant to Section 12 of the Act, or other applicable provision of law, notes of the Authority pending any payment from the State Treasurer to the Authority and at any other time when the Authority, in the opinion of its Directors, has not sufficient cash to make the payments required of it in the course of its duties as such payments become due.

Notwithstanding the foregoing provisions of this Section 713 or any other provision of this Resolution, the Authority reserves the right (1) to issue bonds, notes or other obligations so long as the same are not a charge or lien on or payable from Revenues or

the moneys in any of the Funds or Accounts established by this Resolution, (2) to purchase pursuant to conditional sales agreements or equipment trust agreements, to lease and otherwise to acquire, subject to a lien for the purchase price, such equipment as it deems desirable, including, but not limited to, cars and rolling stock, electric and other motive power vehicles, automobiles, buses and other motor vehicles, (3) to undertake contractual and other obligations and to incur indebtedness for capital or current purposes (but not for borrowed moneys), (4) to incur indebtedness pursuant to a program for federal or state assistance, and (5) to refund MTA Obligations otherwise than under this Resolution.

Notwithstanding the foregoing provisions of this Section 713 or any other provisions of this Resolution, the Authority reserves the right to acquire assets from any private transportation company or any public transportation agency or to merge or be consolidated with any public transportation agency and, in connection with any such transaction, to assume liabilities or obligations of such company or agency.

Except as provided in subdivision (2) of this Section 713, nothing in this Section 713 shall be deemed to permit the creation of any lien or charge on the Debt Service Fund superior to or on a parity with the lien and charge of the Bonds issued under and secured by this Resolution, or the creation of any such lien or charge on any other moneys or investments held in trust hereunder except for the purposes for which such moneys or the proceeds of such investments may be expended hereunder.

SECTION 714. The Authority covenants that it will, at all times, comply with the covenants, terms and conditions of the Contract For Financial Assistance and shall take all steps, actions and proceedings it is empowered to take in order to require compliance by the Commonwealth and the officers thereof with the covenants, terms and conditions of the Contract For Financial Assistance, the breach of which would in any way affect or impair the obligation of the Commonwealth or such officers to pay the Contract Assistance at the times and in the manner and amounts provided in said Contract.

The Authority further covenants that, if at any time it is without sufficient funds to pay the principal or Redemption Price of and interest on the Bonds as the same become due and payable, it will temporarily borrow money and issue notes of the Authority sufficient in amount to provide the required funds in accordance with the provisions of Section 12 of the Act, or other applicable provision of law.

The Authority further covenants that it will, at the appropriate time or times, take all such steps, actions and proceedings as are authorized pursuant to the provisions of the Act, including the provisions of Section 13 thereof, and as may be necessary or required in order to assure payment by the Commonwealth and the officers thereof of all moneys required for the payment of the principal or Redemption Price of and interest on the Bonds as the same become due and payable.

ARTICLE VIII

DEFAULTS AND REMEDIES

SECTION 801. In case the time for the payment of the principal of any Bond or of any coupon or the interest on any registered Bond without coupons shall be extended, whether or not such extension be by or with the consent of the Authority, such coupon or such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Resolution, except subject to the prior payment in full of the principal of all Bonds then outstanding and of all coupons and interest the time for payment of which shall not have been extended.

SECTION 802. Each of the following events is hereby declared an "event of default," that is to say, if:

(a) payment of the principal or Redemption Price of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise under the provisions of this Resolution; or

(b) payment of any installment of interest on any of the Bonds shall not be made within thirty (30) days after the same shall become due and payable; or

(c) the Authority shall for any reason be rendered generally incapable of fulfilling its obligations hereunder; or

(d) an order or decree shall be entered (otherwise than in connection with a labor dispute), with the consent or acquiescence of the Authority, appointing a receiver or receivers of the property of the Authority included in its Transportation System or any part thereof or of the Revenues of the Authority, or if such order or decree, having been entered without the consent or acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(e) any proceeding shall be instituted, with the consent or acquiescence of the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Revenues of the Authority; or

(f) the Authority shall fail or refuse to comply with the provisions of the Act as amended from time to time or shall default in the due and punctual performance or observance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Authority to be performed or observed, and such failure, refusal or default shall continue for thirty (30) days after written notice specifying the same and requiring it to be remedied shall have been given to the Authority by the Fiscal Agent, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than ten per centum (10%) in aggregate principal amount of the Outstanding Bonds.

SECTION 903. Upon the happening and continuance of any event of default specified in Section 902 of this Article, then and in every such case the Fiscal Agent may proceed, and upon the written request of the Holders of not less than twenty per centum (20%) in aggregate principal amount of the Outstanding Bonds shall proceed, subject to the provisions of Section 903 of this Resolution, to protect and enforce its rights and the rights of the Bondholders under the Act or under this

Resolution by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or 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 Fiscal Agent, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Resolution the Fiscal Agent shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming due and at any time remaining, due from the Authority for principal, interest or otherwise under any of the provisions of this Resolution or of the Bonds and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Fiscal Agent or of the Bondholders, and to recover and enforce judgment or decree against the Authority, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with applicable interest, costs and expenses, and to collect in any manner provided by law or this Resolution the moneys adjudged or decreed to be payable.

SECTION 804. Anything in this Resolution to the contrary notwithstanding, if at any time the moneys available for such purposes under the provisions of this Resolution, and any other moneys available therefor, shall not be sufficient to pay the principal or Redemption Price of or the interest on the Bonds as the same shall become due and payable, such moneys together with any moneys then available or thereafter becoming available for such purposes, whether through the exercise of the remedies provided for in this Article VIII. or otherwise, exclusive of moneys held and set aside for the payment of particular Bonds and coupons, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied

First: to the payment to the persons entitled thereto of all installments of interest then due and payable, in the order

in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

The provisions of this Section are in all respects subject to the provisions of Section 301 of this Article.

Whenever moneys are to be applied by the Fiscal Agent pursuant to the provisions of this Section, such moneys shall be applied by the Fiscal Agent at such times, and from time to time, as the Fiscal Agent, in its sole discretion, shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Fiscal Agent; and the Fiscal Agent shall incur no liability whatsoever to the Authority, to any Bondholder or to any other person for any delay in applying any such moneys, so long as

the Fiscal Agent acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Fiscal Agent. Whenever the Fiscal Agent shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Fiscal Agent shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Fiscal Agent shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid coupon or any Bond until such coupon or such Bond and all unmatured coupons, if any, appertaining to such Bond shall be surrendered to the Fiscal Agent for appropriate endorsement, or for cancellation if fully paid.

In the event that any Bond or coupon is not presented for payment when a payment is to be made thereon pursuant to the foregoing paragraph, such Bond or coupon shall be deemed paid to the extent of the moneys then held and set aside with the Fiscal Agent or the Paying Agents for such purpose.

SECTION 805. In case any proceeding taken by the Fiscal Agent on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Authority, the Fiscal Agent and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Fiscal Agent shall continue as though no such proceeding had been taken.

SECTION 806. Anything in this Resolution to the contrary notwithstanding, the Holders of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right, subject to the provisions of Section 903 of this Resolution, by an instrument or concurrent instruments in writing executed and delivered to the Fiscal Agent, to direct the method and place of conducting all remedial proceedings to be taken by the Fiscal Agent hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution.

SECTION 807. Except as hereinafter in this Section 807 expressly provided, no Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such Holder previously shall have given to the Fiscal Agent written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than ten per centum (10%) in aggregate principal amount of the Outstanding Bonds shall have made written request of the Fiscal Agent after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Fiscal Agent a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Fiscal Agent reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Fiscal Agent shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Fiscal Agent, to be conditions precedent to the execution of the powers and trusts of this Resolution or to any other remedy hereunder: provided, however, that notwithstanding the foregoing provisions of this Section and without complying therewith, the Holders of not less than twenty per centum (20%) in aggregate principal amount of the Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Holders of Bonds hereunder. It is understood and intended that, except as otherwise above and hereinafter provided, no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security afforded by the Resolution, or to enforce any right hereunder except in the manner herein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of such Outstanding Bonds and coupons, and that any individual rights of action or other rights given to one or more of such Holders by law are restricted by this Resolution to the rights and remedies herein provided.

Notwithstanding the foregoing provisions of this Section 807 or any other provisions of this Resolution, any Holder of an Outstanding Bond

or Bonds shall have and retain the right to proceed against the Commonwealth in the manner and for the relief provided in Section 13 of the Act.

SECTION 808. All rights of action under this Resolution or under any of the Bonds secured hereby, enforceable by the Fiscal Agent, may be enforced by it without the possession of any of the Bonds or the coupons appertaining thereto or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Fiscal Agent shall be brought in its name for the benefit of all of the Holders of such Bonds and coupons, subject to the provisions of this Resolution.

SECTION 809. No remedy herein conferred upon or reserved to the Fiscal Agent or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

SECTION 810. No delay or omission of the Fiscal Agent or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Fiscal Agent and to the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Fiscal Agent may, and upon written request of the Holders of not less than a majority in principal amount of the Bonds then Outstanding shall, waive any default which, in its opinion, shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Resolution or before the completion of the enforcement of any other remedy under this Resolution, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

SECTION 811. The Fiscal Agent shall mail to all registered owners of Bonds at their addresses as they appear on the registration books, and all other Bondholders who shall have filed their names and addresses

with the Fiscal Agent for such purpose, written notice of the occurrence of any event of default set forth in Section 802 of this Article within thirty (30) days after the Fiscal Agent shall have notice that any such event of default shall have occurred. The Fiscal Agent shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any such notice.

ARTICLE IX

THE FISCAL AGENT, THE DEPOSITARIES AND THE PAYING AGENTS

SECTION 901. The Fiscal Agent shall be appointed by resolution of the Authority adopted prior to the issuance of any of the Bonds. The Fiscal Agent, immediately upon such appointment, shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by written instrument of acceptance deposited with the Authority. Each Depositary shall be appointed by resolution of the Authority. Each Depositary of a Bond Proceeds Account, immediately upon such appointment, shall signify its acceptance of the duties and obligations imposed upon it by this Resolution, by written instrument of acceptance deposited with the Authority.

SECTION 902. The Authority shall appoint one or more Paying Agents for the Bonds of any Series in the Series Resolution authorizing such Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 912 for the appointment of a successor Paying Agent. The Fiscal Agent or a Depositary, or any of them, may be appointed to act as Paying Agents notwithstanding that they may then be acting in the capacity of Fiscal Agent or Depositary.

Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by written instrument of acceptance deposited with the Authority and the Fiscal Agent.

SECTION 903. (a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and neither the Fiscal Agent nor any Depositary nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Fiscal

Agent nor any Depositary nor any Paying Agent shall be deemed to make any representations as to the validity or sufficiency of this Resolution or of any Bonds or coupons issued thereunder or in respect of the security afforded by this Resolution, and neither the Fiscal Agent nor any Depositary nor any Paying Agent shall incur any responsibility in respect thereof, except as provided in paragraph (c) below. Neither the Fiscal Agent nor any Depositary nor any Paying Agent shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Authority. Neither the Fiscal Agent nor any Depositary nor any Paying Agent shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Neither the Fiscal Agent nor any Depositary nor any Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own negligence or default. Neither the Fiscal Agent nor any Depositary nor any Paying Agent shall be under any responsibility or duty with respect to the application of any moneys paid to any one of the others. No Depositary of the Revenue Fund or Operating Fund or of any Bond Proceeds Account shall be in any way responsible for the application thereof by the Authority.

(b) Except upon the happening of any event of default specified in clauses (a) and (b) of Section 902 of this Resolution, the Fiscal Agent shall not be obligated to take notice or be deemed to have notice of any event of default hereunder unless specifically notified in writing of such event of default by the Holders of not less than ten per centum (10%) in aggregate principal amount of the Bonds hereby secured and then Outstanding.

(c) It shall be the duty of the Fiscal Agent to file on behalf of the Bondholders and at the expense of the Authority any continuation statements which may be required by the Uniform Commercial Code in order to preserve the security provided by this Resolution.

SECTION 904. The Fiscal Agent, any Depositary and any Paying Agent 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 pre-

mented by the proper party or parties. The Fiscal Agent, any Depositary and any Paying Agent may consult with counsel, who may or may not be of counsel to the Authority, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

Whenever the Fiscal Agent, any Depositary or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be herein 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 Resolution upon the faith thereof, but in its discretion the Fiscal Agent, any Depositary or any Paying Agent 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.

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

SECTION 905. The Authority shall pay to the Fiscal Agent, to each Depositary of a Bond Proceeds Account and to each Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, 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 Resolution, to the extent that such compensation or reimbursement is lawful and appropriate and the Fiscal Agent, each such Depositary and each Paying Agent shall have a lien therefor on any and all funds at any time held by it under this Resolution. The Authority further agrees to indemnify and save the Fiscal Agent, each such Depositary and each Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default.

SECTION 906. The Fiscal Agent, any Depository and any Paying Agent may deal with the Authority and may become the owner of any Bonds and coupons, with the same rights it would have if it were not such Fiscal Agent, Depository or Paying Agent. The Fiscal Agent, any Depository and any Paying Agent 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 Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 907. The Fiscal Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than sixty (60) days' written notice to the Authority and publishing notice thereof, specifying the date when such resignation shall take effect, once in an Authorized Newspaper, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of such successor.

SECTION 908. The Fiscal Agent shall be removed by the Authority if at any time so requested by an instrument or concurrent instruments in writing, filed with the Fiscal Agent and the Authority, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. The Authority may remove the Fiscal Agent at any time, except during the existence of an event of default as defined in Section 802 hereof, for such cause as shall be determined in the sole discretion of the Authority by filing with the Fiscal Agent an instrument signed by an Authorized Officer of the Authority.

SECTION 909. In case at any time the Fiscal Agent 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 Fiscal Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of the Fiscal Agent, or

of its property or affairs, the Authority covenants and agrees that it will thereupon appoint a successor Fiscal Agent. The Authority shall publish notice of any such appointment made by it in an Authorized Newspaper, such publication to be made within twenty (20) days after such appointment.

If in a proper case no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the Authority written notice, as provided in Section 907, or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

Any Fiscal Agent appointed under the provisions of this Section 909 in succession to the Fiscal Agent shall be a bank or trust company organized under the laws of the Commonwealth of Massachusetts or a national banking association, doing business and having its principal office in the City of Boston, Massachusetts, and having a capital and surplus aggregating at least Twenty-Five Million Dollars (\$25,000,000), 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 Resolution.

SECTION 910. Any successor Fiscal Agent appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Fiscal Agent, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Fiscal Agent, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiscal Agent, with like effect as if originally named as Fiscal Agent; but the Fiscal Agent ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Fiscal Agent, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reason-

ably be required for more fully and certainly vesting and confirming in such successor Fiscal Agent all the right, title and interest of the predecessor Fiscal Agent in and to any property held by its under this Resolution, and shall pay over, assign and deliver to the successor Fiscal Agent 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 Fiscal Agent for more fully and certainly vesting in and confirming to such successor Fiscal Agent 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 Fiscal Agent shall promptly notify each Depository of a Bond Proceeds Account and each Paying Agent of its appointment as Fiscal Agent.

SECTION 911. Any company into which the Fiscal Agent, any Depository or any Paying Agent 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 the Fiscal Agent, any Depository or any Paying Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Fiscal Agent, Depository or Paying Agent without the execution or filing of any paper or the performance of any further act, provided with respect to the Fiscal Agent that such company shall be a bank or trust company organized under the laws of the Commonwealth of Massachusetts or a national banking association and shall have an office for the transaction of its business in the City of Boston, Massachusetts, and shall be authorized by law to perform all the duties imposed upon it by this Resolution.

SECTION 912. Any Depository of a Bond Proceeds Account and any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days' written notice to the Authority and the Fiscal Agent. Any such Depository and any Paying Agent may be removed at any time by an instrument filed with such Depository or Paying Agent and the Fiscal Agent and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the

Authority and (subject to the requirements of Section 703) any Paying Agent, whether original or successor, 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 Twenty-Five Million Dollars (\$25,000,000), if there be such bank or trust company or national banking association in the required city willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Any successor Depository of a Bond Proceeds Account shall be appointed by the Authority and any such Depository, whether original or successor, shall be a bank or trust company organized under the laws of the Commonwealth of Massachusetts or a national banking association with an office for the transaction of business in the Commonwealth of Massachusetts, having a capital and surplus aggregating at least Two Million Five Hundred Thousand Dollars (\$2,500,000), if there be such a bank or trust company or national banking association willing and able to act as Depository on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Resolution.

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 to its successor, or if there be no successor then appointed, to the Fiscal Agent until such successor be appointed. In the event of the resignation or removal of any Depository of a Bond Proceeds Account, the Authority shall transfer the balance held by such Depository to another Depository or Depositories of the same Bond Proceeds Account.

ARTICLE X

SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS

SECTION 1001. The Authority may adopt at anytime or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Fiscal Agent of a copy thereof certified by an Authorized Officer:

(1) To provide for the issuance of a Series of Bonds and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(2) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in this Resolution;

(3) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(4) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Resolution;

(5) To confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of this Resolution of the Revenues, Contract Assistance or of any other moneys, securities or funds;

(6) To modify any of the provisions of this Resolution or any previously adopted Series Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent resolutions; or

(7) With the consent of the Fiscal Agent, to cure any ambiguity or defect or inconsistent provision in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Resolution as theretofore in effect. Any Series Resolution or Supplemental Resolution adopted pursuant to this or Section 1002 shall be deemed to be a part of this Resolution.

SECTION 1002. The provisions of this Resolution may be modified at any time or from time to time by a Supplemental Resolution, subject

to the consent of Bondholders in accordance with and subject to the provisions of Article XI hereof, such Supplemental Resolution to become effective upon the filing with the Fiscal Agent of a copy thereof certified by an Authorized Officer.

SECTION 1003. This Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article X and Article XI.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority when filed with the Fiscal Agent shall be accompanied by a Counsel's Opinion stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms.

The Fiscal Agent is hereby authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of this Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Fiscal Agent shall be fully protected in relying on Counsel's Opinion that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Fiscal Agent, any Depositary or of any Paying Agent may be adopted by the Authority without the written consent of the Fiscal Agent or the Depositary or Paying Agent affected thereby.

ARTICLE XI

AMENDMENTS OF RESOLUTION AND PROOF OF

OWNERSHIP OF BONDS

SECTION 1101. Any modification or amendment of this Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds and coupons thereunder, in any particular, may be made

by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1102, (a) of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time when the Fiscal Agent files with the Authority the written statement required by Section 1102, and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at such time; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding 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 Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Fiscal Agent may in its discretion determine whether or not in accordance with the foregoing provisions Bonds of any particular Series would be affected by any modification or amendment of this Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Fiscal Agent may receive an opinion of counsel, including Counsel's Opinion, as conclusive evidence as to whether Bonds of any particular Series would be so affected by any such modification or amendment of this Resolution.

SECTION 1102. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1101, to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Fiscal Agent) together with a request to Bondholders for their consent thereto in

form satisfactory to the Fiscal Agent, shall be mailed by the Authority to Bondholders and shall be published at least once a week for two (2) successive weeks (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until (a) there shall have been filed with the Fiscal Agent (i) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1101 and (ii) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (b) a notice shall have been published as hereinafter in this Section 1102 provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bond with respect to which such consent is given, which proof shall be such as is permitted by Section 1107. A certificate or certificates by the Fiscal Agent filed with the Fiscal Agent that it has examined such proof and that such proof is sufficient in accordance with Section 1107 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Fiscal Agent. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 1107 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Fiscal Agent prior to the time when the written statement of the Fiscal Agent hereinafter in this Section 1102 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1107. The fact that a consent has not been revoked may likewise be proved by a certificate of the Fiscal Agent filed with the Fiscal Agent to the effect that no revocation thereof is on file with the Fiscal Agent. The Holders of Bonds of any Series issued after the adoption by the Authority of a Supplemental Resolution under Section 1101 shall be deemed to have consented to the Supplemental Resolution, and such consent shall be irrevocable, notwithstanding the

foregoing provisions of this section. Such Series shall not be deemed to be unaffected by the Supplemental Resolution solely by reason of such irrevocable consent.

At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Fiscal Agent shall make and file with the Authority and the Fiscal Agent a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Fiscal Agent) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1102, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1102 provided) and by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Fiscal Agent hereinabove provided for is filed. The Authority shall file with the Fiscal Agent proof of the publication of such notice, and, if the same shall have been mailed to Bondholders, of the mailing thereof. A transcript, consisting of the papers required or permitted by this Section 1102 to be filed with the Fiscal Agent, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiscal Agent, each Depository, each Paying Agent and the Holders of all Bonds and coupons at the expiration of thirty (30) days after the filing with the Fiscal Agent of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Authority, the Fiscal Agent, any Depository and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their

absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

SECTION 1103. The terms and provisions of this Resolution and the rights and obligations of the Authority and of the Holders of the Bonds and coupons thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Resolution and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 1102, except that no notice to Bondholders either by mailing or publication shall be required.

SECTION 1104. (1) Any provision in this Article for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority, (ii) to each Holder of any Outstanding Bond payable to bearer who shall have filed with the Fiscal Agent within two (2) years preceding such mailing an address for notices, and (iii) to the Fiscal Agent.

(2) Any provision in this Article for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper.

SECTION 1105. 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 Bonds provided for in this Article nor shall the Authority be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Fiscal Agent a certificate of an Authorized Officer, upon which the Fiscal Agent may rely, describing all Bonds so to be excluded.

SECTION 1106. Bonds delivered after the effective date of any action taken as in Article X or this Article provided may, and, if the Fiscal Agent so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority and the Fiscal Agent as to such

action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and upon presentation of his Bond for the purpose at the principal office of the Fiscal Agent suitable notation shall be made on such Bond by the Fiscal Agent as to any such action. If the Authority or the Fiscal Agent shall so determine, new Bonds so modified as in the opinion of the Fiscal Agent and the Authority to conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds with all unpaid coupons, if any, appertaining thereto.

SECTION 1107. Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the Fiscal Agent and the Authority with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution.

(b) The fact of the holding of coupon Bonds hereunder by any Bondholder and the amount and the numbers of such Bonds and the date of his holding the same (unless such Bonds be registered) may be proved by the affidavit of the person claiming to be such Holder, if such affidavit shall be deemed by the Fiscal Agent to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depository, wherever situated, if such certificate shall be deemed by the Fiscal Agent to be satisfactory, showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other

depository the Bonds described in such certificate. The Fiscal Agent may conclusively assume that such ownership continues until written notice to the contrary is served upon it. The ownership of coupon Bonds registered as to principal and of registered Bonds without coupons shall be proved by the registration books kept under the provisions of Section 206 of this Resolution.

But nothing contained in this Article shall be construed as limiting the Fiscal Agent to such proof, it being intended that the Fiscal Agent may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done by the Fiscal Agent in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Fiscal Agent shall not be required to recognize any person as a Holder of any Bond or coupon or to take any action at his request unless such Bond or coupon shall be deposited with it.

ARTICLE XII

DEFEASANCE

SECTION 1201. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Bonds and coupons then Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then and in that event the covenants, agreements and other obligations of the Authority to the Bondholders shall be discharged and satisfied. In such event, the Fiscal Agent shall, upon request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such release and discharge and the Fiscal Agent, the Depositories and the Paying Agents shall pay over or deliver to the Authority all monies or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds or coupons not theretofore surrendered for such payment or redemption.

SECTION 1202. Bonds or coupons for the payment or redemption of which monies or investment shall then be held and set aside by the Fiscal Agent or the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption or otherwise), shall be deemed to have been paid within the meaning of Section 1201; provided, however, that if any such Bonds are to be redeemed prior to the maturity thereof, the Authority shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly given or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice and, provided, further, that, if the moneys or investments so held by the Fiscal Agent and the Paying Agents are insufficient to provide for the payment or redemption of such Bonds or coupons, the Fiscal Agent shall certify to the Authority that satisfactory arrangements have been made for the purchase of direct obligations of the United States of America sufficient in principal amount and maturing at such times as will provide, together with the interest thereon and income therefrom, the moneys needed for the payment or redemption of such Bonds and coupons. Any moneys or investments deposited with or held by the Fiscal Agent or the Paying Agents in accordance with the provisions of this Section 1202 shall be invested by the Fiscal Agent or the Paying Agents, upon written direction of the Authority, in direct obligations of the United States of America the maturity or redemption date at the option of the holder of which shall coincide as nearly as practical with the times at which said monies will be required for the purposes for which deposited. Any income or interest earned by, or net increment to, the investment of any such monies so deposited, shall, as realized, be transferred by the Fiscal Agent or the Paying Agents to the Authority, except to the extent it is needed for the purpose of paying the principal or Redemption Price of or interest on the Bonds for which deposited and any such monies so paid by the Fiscal Agents or the Paying Agents to the Authority shall be released of the lien and pledge created by this Resolution.

SECTION 1203. Any moneys deposited with or held by the Fiscal Agent or Paying Agents for the payment or redemption of Bonds and coupons and remaining unclaimed by the Holders of the Bonds or coupons for five years after the date of maturity of such Bonds or

coupons or the date fixed for payment or redemption of the same. as the case may be, shall, upon the written request of the Authority, by a certificate of an Authorized Officer, be paid to the Authority if no event of default, as defined in Section 802, shall then exist to the knowledge of the Fiscal Agent. Such Holders of the Bonds and coupons shall thereafter look only to the Authority for payment and then only to the extent of the amounts so received without interest thereon. Prior to the expiration of the five year period mentioned above, the Fiscal Agent may, at the expense of the Authority, cause to be published in an Authorized Newspaper a notice that after said date said moneys will be returned to the Authority. No payment to the Authority under this section shall cause any Bond to be deemed Outstanding.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 1301. All documents received by the Fiscal Agent, any Depository or any Paying Agent under the provisions of this Resolution or any Series Resolution or any Supplemental Resolution shall be retained in its possession and shall be subject, at all reasonable times, to the inspection of the Authority, the Fiscal Agent, any Depository, any Paying Agent, any Bondholder and their agents and representatives, any of whom may make copies thereof.

SECTION 1302. In the event of the dissolution of the Authority, all of the covenants, stipulations, obligations and agreements contained in this Resolution by or in behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or successors of the Authority from time to time and any officer, board, commission, authority, body, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Authority" as used in this Resolution shall include such successor or successors.

SECTION 1303. All powers conferred and all obligations and duties imposed upon any officer of the Authority under the provisions of this

Resolution may be performed by such other officer or employee of the Authority as the Authority may, from time to time, lawfully designate by resolution for such purpose.

SECTION 1304. The Authority may become the owner of any Bonds and coupons and, except as otherwise expressly provided in this Resolution, shall have the same rights with respect thereto as it would have if it were not the Authority.

SECTION 1305. If in the event of the suspension of publication of any newspaper or financial journal, or for any other reason, the Fiscal Agent or Authority shall be unable to publish in a newspaper or financial journal any notice required to be published by any provision of this Resolution, the Fiscal Agent or Authority shall give such notice in such other manner as in its judgment shall most effectively approximate such publication, and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the publication thereof.

SECTION 1306. Except as herein otherwise expressly provided, nothing in this Resolution or in any Series Resolution adopted pursuant to the provisions hereof, expressed or implied, is intended or shall be construed to confer upon or to give to any person, firm or corporation other than the Authority, Fiscal Agent, Depositories, Paying Agents and the Holders of the Bonds and coupons pertaining thereto any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any Series Resolution or any covenants, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Resolution and any Series Resolution contained by or on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, Fiscal Agent, Depositories, Paying Agents and the Holders from time to time of the Bonds and the coupons pertaining thereto.

SECTION 1307. All covenants, stipulations, obligations and agreements of the Authority contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized by law. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant

stipulation, obligation or agreement of any present or future director, officer, agent or employee of the Authority in his individual capacity, and neither a director of the Authority nor any officer thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, agent or employee of the Authority shall incur any personal liability in acting or proceeding or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Resolution and the Act.

SECTION 1308. Nothing in this Resolution expressed or implied shall be construed as prohibiting the Authority from financing the acquisition or construction on a self-liquidating basis of any additional transportation facilities by the issuance of obligations which are not secured under the provisions of this Resolution.

SECTION 1309. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Resolution on the part of the Authority, Fiscal Agent, any Depositary or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Resolution.

SECTION 1310. Any headings preceding the texts 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 of this Resolution, nor shall they affect its meaning, construction or effect.

SECTION 1311. All resolutions or parts of resolutions or other proceedings of the Authority in conflict herewith be and the same are repealed insofar as such conflict exists.

SECTION 1312. This Resolution shall take effect immediately upon its adoption.