

**NEW ISSUE - BOOK-ENTRY ONLY**

**Ratings: S&P: AAA (stable)  
Fitch: AAA (stable)  
(See "RATINGS" herein)**

*In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel, under existing law, and assuming continued compliance with various requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds will not be included in the gross income of holders of the Bonds for federal income tax purposes. In the opinion of Bond Counsel, interest on the Bonds, and any profit made on the sale thereof, are exempt from Massachusetts personal income taxes and the Bonds are exempt from Massachusetts personal property taxes. See "TAX MATTERS" herein.*



**\$295,170,000  
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY  
Assessment Bonds**

**\$295,170,000 2022 Series A**

*consisting of*

**\$197,970,000 Subseries A-1 and \$97,200,000 Subseries A-2 (Sustainability Bonds)**

**Dated: Date of Delivery**

**Due: July 1, as shown on the inside cover**

This Official Statement relates to the issuance by the Massachusetts Bay Transportation Authority (the "Authority") of its Assessment Bonds, 2022 Series A, Subseries A-1 and Subseries A-2 (Sustainability Bonds) the "Bonds". The Bonds will be issued by means of a book-entry only system evidencing ownership and transfer of the Bonds on the records of The Depository Trust Company, New York, New York ("DTC") and its participants. Details of payment of the Bonds are more fully described in this Official Statement.

The Subseries A-2 Bonds constitute Sustainability Bonds, which finance and refinance projects meeting the Authority's criteria for designation as sustainability projects. See "SOURCES AND USES OF FUNDS" herein.

The Bonds will bear interest from the date of initial delivery thereof and interest will be payable semiannually on each January 1 and July 1, commencing January 1, 2023, calculated on the basis of a 360-day year of twelve 30-day months. Purchases of the Bonds will be made in book-entry only form in denominations as set forth herein. Principal of and interest on the Bonds are payable as more fully described herein. The Bonds are subject to redemption prior to maturity as more fully described herein.

The Bonds will constitute special obligations of the Authority payable solely from and secured by a pledge of Pledged Revenues and funds and accounts established under the Assessment Bond Trust Agreement, dated as of July 1, 2000, as amended and restated as of April 1, 2022, between the Authority and U.S. Bank Trust Company, National Association, Boston, Massachusetts, as successor trustee (the "Trustee"), as supplemented by the Twelfth Supplemental Trust Agreement authorizing the issuance of the Bonds dated as of April 1, 2022, between the Authority and the Trustee. The Authority has no taxing power. Neither The Commonwealth of Massachusetts (the "Commonwealth") nor any political subdivision thereof shall be obligated to pay the Bonds and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof (other than the Authority) is pledged to such payment, except as described herein.

*The Bonds are offered when, as and if issued and received by the Underwriters, subject to the unqualified approval of legality by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by Nutter, McClennen & Fish, LLP, Boston, Massachusetts. Public Resources Advisory Group, Inc., New York, New York, is acting as financial advisor to the Authority in connection with the issuance of the Bonds. The Bonds are expected to be available for delivery through DTC in New York, New York, or its custodial agent, on or about April 13, 2022.*

**Wells Fargo Securities**

**Siebert Williams Shank & Co., LLC**

**UBS**

**Academy Securities**

**FHN Financial Capital Markets**

**J.P. Morgan**

**Morgan Stanley**

**Baird**

**Raymond James**

April 5, 2022

**\$295,170,000**  
**Massachusetts Bay Transportation Authority**  
**Assessment Bonds**  
**2022 Series A**

**Dated: Date of Delivery**

**Due: July 1, as shown below**

**\$197,970,000 Subseries A-1**

<b>Maturity (July 1)</b>	<b>Amount</b>	<b>Rate</b>	<b>Yield</b>	<b>CUSIP*</b>
2023	\$17,530,000	5.000%	1.640%	575577NH0
2028	1,195,000	5.000	2.100	575577NJ6
2029	1,255,000	5.000	2.170	575577NK3
2030	1,315,000	5.000	2.270	575577NL1
2031	1,380,000	5.000	2.330	575577NM9
2032	1,450,000	5.000	2.390	575577NN7
2033	1,525,000	5.000	2.480 <sup>†</sup>	575577NP2
2034	1,600,000	5.000	2.540 <sup>†</sup>	575577NQ0
2035	1,680,000	5.000	2.570 <sup>†</sup>	575577NR8
2036	24,805,000	5.000	2.630 <sup>†</sup>	575577NS6
2037	26,070,000	5.000	2.650 <sup>†</sup>	575577NT4
2038	27,485,000	5.000	2.680 <sup>†</sup>	575577NU1
2039	12,910,000	4.000	2.920 <sup>†</sup>	575577NV9
2039	15,995,000	5.000	2.700 <sup>†</sup>	575577NW7
2040	30,260,000	4.000	2.930 <sup>†</sup>	575577NX5
2041	31,515,000	3.125	3.290	575577NY3

**\$97,200,000 Subseries A-2**  
**(Sustainability Bonds)**

**\$97,200,000 5.000% Subseries A-2 Term Bond maturing July 1, 2052 to yield 2.990%<sup>†</sup> CUSIP\* 575577NZ0**

\* CUSIP is a registered trademark of FactSet. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet. The CUSIP numbers are being provided solely for the convenience of Bondowners and the Authority is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number assigned to a specific security is subject to change after the issuance of such security based on a number of factors including, but not limited to, a refunding or defeasance in whole or in part of such security or the use of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such security.

<sup>†</sup> Priced to the first optional redemption date of such maturities, July 1, 2032.

**MASSACHUSETTS BAY TRANSPORTATION AUTHORITY**

**BOARD OF DIRECTORS**

ELIZABETH "BETSY" TAYLOR, CHAIR

ROBERT BUTLER

THOMAS "SCOTT" DARLING

TRAVIS MCCREADY

MARY BETH MELLO

THOMAS KOCH

JAMEY TESLER, SECRETARY OF TRANSPORTATION

The information set forth herein has been obtained from the Authority and other sources which are believed to be reliable, but, as to information from other than the Authority, it is not to be construed as a representation by the Authority or the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof, except as expressly set forth herein. The various tables may not add due to rounding of figures.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

All quotations from and summaries and explanations of provisions of laws, resolutions, the Bonds and other documents herein do not purport to be complete; reference is made to said laws, resolutions, the Bonds and other documents for full and complete statements of their provisions. Copies of the above are available for inspection at the offices of the Authority and the Trustee.

Information included in this Official Statement includes forward-looking statements about the future that are necessarily subject to various risks and uncertainties ("Forward-Looking Statements"). These Forward-Looking Statements are (i) based on the beliefs and assumptions of management of the Authority and on information currently available to such management and (ii) generally identifiable by words such as "estimates," "expects," "anticipates," "plans," "believes" and other similar expressions. Events that could cause future results to differ materially from those expressed in or implied by Forward-Looking Statements or historical experience include the impact or outcome of many factors that are described throughout this Official Statement. Although the ultimate impact of such factors is uncertain, they may cause future performance to differ materially from results or outcomes that are currently sought or expected by the Authority.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
INTRODUCTION .....	1	Statutory Covenant .....	26
Background .....	2	Historic and Pro Forma Debt Service	
Official Statement .....	4	Coverage .....	27
THE AUTHORITY .....	4	ASSESSMENTS.....	27
Board of Directors .....	4	Other Withholding of Local Aid .....	29
Administration .....	6	Potential Local Aid Intercepts.....	30
General .....	6	Legal Obligations of Assessed Cities and	
Operations .....	6	Towns.....	31
Indebtedness.....	7	Proposition 2½.....	32
Capital Investment Program.....	10	Local Aid .....	32
PLAN OF FINANCING .....	11	SALES TAX BOND TRUST	
SOURCES AND USES OF FUNDS .....	12	AGREEMENT AND DEDICATED	
Designation of the Subseries A-2 Bonds		SALES TAX .....	33
as Sustainability Bonds.....	12	Pledge Under the Sales Tax Bond Trust	
Use of Proceeds of the Sustainability		Agreement.....	34
Bonds.....	13	Flow of Funds.....	35
Project Evaluation and Selection.....	13	Provision for the Payment of Prior	
Management of Proceeds .....	13	Obligations.....	35
Post-Issuance Reporting on		Dedicated Sales Tax .....	36
Sustainability Projects .....	14	Indebtedness Under the Sales Tax Bond	
THE BONDS .....	14	Trust Agreement .....	40
REDEMPTION PROVISIONS .....	14	Statutory Covenant .....	41
Optional Redemption.....	14	CERTAIN INVESTMENT	
Mandatory Sinking Fund Redemption of		CONSIDERATIONS.....	43
Subseries A-2 Bonds.....	15	Impacts of COVID-19 .....	43
Selection of Bonds to be Redeemed.....	15	Secondary Market and Prices .....	43
Notice of Redemption; Effect of		Ratings .....	44
Redemption.....	15	Tax Exempt Status of the Tax-Exempt	
BOOK-ENTRY ONLY SYSTEM.....	16	Bonds .....	44
Transfer and Exchange .....	18	No Debt Service Reserve Fund.....	44
DEBT SERVICE REQUIREMENTS ON		LEGAL INVESTMENTS AND	
ASSESSMENT BONDS .....	19	SECURITY FOR DEPOSITS .....	44
SECURITY FOR THE ASSESSMENT		LITIGATION.....	45
BONDS .....	20	LEGISLATION .....	45
Modifications to the Assessment Bond		TAX MATTERS.....	45
Trust Agreement .....	20	Federal Tax Matters.....	45
Pledge Under the Assessment Bond		State Tax Matters.....	47
Trust Agreement .....	20	RATINGS .....	47
Flow of Funds .....	21	CERTAIN LEGAL MATTERS .....	47
Pledge of Amounts Payable Under the		CONTINUING DISCLOSURE.....	47
Sales Tax Bond Trust Agreement .....	24	UNDERWRITING .....	47
Pledge Under Assessment Bond Trust		VERIFICATION OF MATHEMATICAL	
Agreement to Sales Tax Bonds .....	24	COMPUTATIONS .....	49
Deficiency Fund and Capital		FINANCIAL ADVISOR .....	49
Maintenance Fund .....	24	MISCELLANEOUS .....	49
Additional Indebtedness .....	24		
APPENDIX A		Summary of Certain Provisions of the Assessment Bond Trust Agreement.....	A-1
APPENDIX B		Summary of Certain Provisions of the Sales Tax Bond Trust Agreement.....	B-1
APPENDIX C		Proposed Form of Opinion of Bond Counsel.....	C-1
APPENDIX D		Continuing Disclosure Undertakings .....	D-1
APPENDIX E		Information Regarding Assessments and Local Aid.....	E-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

**OFFICIAL STATEMENT  
OF THE  
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY  
PERTAINING TO ITS**

**\$295,170,000  
Assessment Bonds**

**\$295,170,000 2022 Series A  
\$197,970,000 Subseries A-1 and \$97,200,000 Subseries A-2 (Sustainability Bonds)**

**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information in connection with the issuance by the Massachusetts Bay Transportation Authority (the “Authority” or “MBTA”) of its \$295,170,000 Assessment Bonds, 2022 Series A consisting of \$197,970,000 Subseries A-1 and \$97,200,000 Subseries A-2 (Sustainability Bonds) (the “Bonds”) Unless otherwise defined herein, certain capitalized terms used herein shall have the meanings set forth in APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement – Definitions” or, in the case of capitalized terms related to the Sales Tax Bond Trust Agreement (hereinafter defined), the meanings set forth in APPENDIX B – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement.”

The Bonds are authorized to be issued pursuant to the Enabling Act (hereinafter defined), and are to be issued under the Assessment Bond Trust Agreement, dated as of July 1, 2000, and as amended and restated as of April 1, 2022, between the Authority and U.S. Bank Trust Company, National Association, Boston, Massachusetts, as successor trustee (the “Trustee”) (the “Trust Agreement”) and as supplemented by the Twelfth Supplemental Trust Agreement authorizing the issuance of the Bonds (together with the Trust Agreement, the “Assessment Bond Trust Agreement”), each dated as of April 1, 2022, between the Authority and the Trustee.

**In connection with the issuance of the Bonds, the Trust Agreement is being amended and restated to modify certain provisions, as described herein. See “SECURITY FOR THE ASSESSMENT BONDS - Modifications to the Assessment Bond Trust Agreement” and APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”**

The Bonds are being issued for the purpose of (i) refunding such portion listed under “PLAN OF FINANCING” of the outstanding Assessment Bonds, 2012 Series A (the “Refunded Bonds”), (ii) paying costs of the Authority in accordance with the Enabling Act, including funding a portion of the Authority’s capital program and refunding certain outstanding commercial paper bond anticipation notes of the Authority, and (iii) paying the costs of issuing the Bonds. Simultaneously with the issuance of the Bonds, the Authority is defeasing such portion listed under “PLAN OF FINANCING” of the Assessment Bonds, 2006 Series A and 2016 Series A (together, the “Defeased Bonds”). See “PLAN OF FINANCING” and “SOURCES AND USES OF FUNDS.”

The projects financed and refinanced with the Subseries A-2 Bonds meet the Authority’s criteria for designation as sustainability projects. See “SOURCES AND USES OF FUNDS.”

As used herein, the term “Assessment Bonds” means the Bonds and all other Assessment Bonds outstanding or hereafter issued under the Trust Agreement and payable from amounts on deposit in the Debt Service Fund. The Trust Agreement provides for the issuance of additional Assessment Bonds, and the Authority may issue additional Assessment Bonds in the future. See “THE AUTHORITY – Capital Investment Program.”

The Bonds constitute special obligations of the Authority, secured as to the payment of principal of and redemption premium, if any, and interest thereon by a pledge of certain revenues and other moneys received or derived under the Enabling Act thereof for the purposes and on the terms and conditions provided therein, including without limitation, amounts assessed on cities and towns in the Authority’s territory in accordance with the Enabling Act (the “Assessments”). See “ASSESSMENTS.” The Bonds constitute the sixth series of Assessment Bonds to be issued under the Trust Agreement. See “SECURITY FOR THE ASSESSMENT BONDS” and APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”

The COVID-19 global pandemic has severely impacted the operations and certain revenues of the Authority. See “THE AUTHORITY- Operations” and “CERTAIN INVESTMENT CONSIDERATIONS – Impact of COVID-19” herein. However, the Bonds are secured by and paid from the Pledged Revenues described herein, including the Assessments and Dedicated Sales Tax, which are subject to a statutory lien and non-impairment covenants and are not conditioned upon the MBTA providing service, as described herein.

**The Authority has no taxing power. Neither The Commonwealth of Massachusetts (the “Commonwealth”) nor any political subdivision thereof (other than the Authority) shall be obligated to pay the Bonds and neither the faith and credit nor the taxing power of the Commonwealth or any such political subdivision thereof is pledged to such payment, except as described herein.**

## **Background**

The Authority was created in 1964 pursuant to Chapter 161A of Massachusetts General Laws (“Chapter 161A” and, together with Section 35T of Chapter 10 of Massachusetts General Laws (“Section 35T”), the “Enabling Act”) as a body politic and corporate and a political subdivision of the Commonwealth to finance and operate mass transportation facilities within (and to a certain extent, outside) its territory. The territorial area of the Authority consists of 176 cities and towns.

Under the Enabling Act, the Authority receives a dedicated revenue stream consisting of the Assessments and the Dedicated Sales Tax (collectively, the “Dedicated Revenues”). The cities and towns within the Authority’s territory are required to pay Assessments as described under “ASSESSMENTS.” The Dedicated Sales Tax is equal to the greater of the base revenue amount (as defined in the Enabling Act) and the amount raised by a 1% statewide sales tax, subject to adjustment under certain circumstances set forth in the Enabling Act, plus \$160,000,000 annually. See “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX.”

Under the Enabling Act, the Dedicated Revenues are impressed with a trust for the benefit of Authority bondholders. Furthermore, the Commonwealth covenants that while any Authority bonds or notes secured by the Dedicated Revenues are outstanding and remain unpaid, the Dedicated Revenues shall not be diverted, and, so long as the Dedicated Revenues are necessary for the purpose for which they have been pledged, annual aggregate Assessments shall not be reduced below the Assessment Floor Amount (defined herein) and the rate of the sales tax shall not be reduced below the amount of the



Dedicated Sales Tax. See “ASSESSMENTS” and “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX.”

The Dedicated Revenues are credited upon receipt, without appropriation, to the Commonwealth’s State and Local Contribution Fund (the “Fund” or the “State and Local Contribution Fund”). Such amounts shall be disbursed to the Authority upon the request of the General Manager so long as the Authority shall certify that it has provided in its budget each year for the payment of the Prior Obligations (hereinafter defined; see “THE AUTHORITY – Indebtedness”) due during such year. The Authority certified that it has provided in its annual budget for the payment of Prior Obligations during Fiscal Year 2022. See “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX – Provision for the Payment of Prior Obligations.”

Assessments are credited to the Fund on or before the last day of each month and deposited on the day so credited. The Dedicated Sales Tax generally is deposited not later than the last business day of each month on account of the prior month.

Under the Enabling Act, the Authority is required to meet all of its operating and capital expenditures from Dedicated Revenues, federal and state assistance and revenues generated from operation of the Authority’s system, including without limitation fare revenues and non-fare revenues (e.g., parking and advertising revenues). Under the Enabling Act, the pledge and receipt of Dedicated Revenues is not contingent upon the Authority’s provision of transportation services. Subject to the limitations with respect to the Assessments described under “ASSESSMENTS” and with respect to the Dedicated Sales Tax described under “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX,” the Authority’s failure to provide transportation services at current levels would not affect the Commonwealth’s or the assessed cities’ and towns’ obligation or ability to provide the Dedicated Revenues. See “ASSESSMENTS – Legal Obligations of Assessed Cities and Towns” and “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX.”

Authority indebtedness may be a general obligation of the Authority or may be secured by a pledge or conveyance of all or a portion of revenues, receipts or other assets or funds of the Authority, including without limitation, the Assessments and Dedicated Sales Tax. Pursuant to the Assessment Bond Trust Agreement, the Bonds are secured by a pledge of Assessments and, after meeting the obligations under a Sales Tax Bond Trust Agreement, dated as of July 1, 2000, as amended and supplemented (the “Sales Tax Bond Trust Agreement”), by and between the Authority and U.S. Bank Trust Company, National Association, as successor trustee, the Dedicated Sales Tax, along with other Authority revenues as described under “SECURITY FOR THE ASSESSMENT BONDS – Pledge Under the Assessment Bond Trust Agreement.” The Bonds are secured by a first lien on the Assessments and other Pledged Revenues (hereinafter defined), prior to the payment of operating expenses. See “SECURITY FOR THE ASSESSMENT BONDS – Pledge Under the Assessment Trust Agreement.”

## **Official Statement**

There follows in this Official Statement a description of the Authority, together with summaries of the terms of the Bonds and certain provisions of the Enabling Act, the Assessment Bond Trust Agreement and the Sales Tax Bond Trust Agreement. All references herein to the Enabling Act, the Assessment Bond Trust Agreement and the Sales Tax Bond Trust Agreement are qualified in their entirety by reference to such law and documents, copies of which are available from the Authority or the Trustee, and all references to the Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Assessment Bond Trust Agreement and the Sales Tax Bond Trust Agreement.

Appendix A is a summary of certain provisions of the Assessment Bond Trust Agreement. Appendix B is a summary of certain provisions of the Sales Tax Bond Trust Agreement. Appendix C sets forth the proposed form of opinion of Bond Counsel. Appendix D describes the proposed Continuing Disclosure Undertakings to be executed by the Authority and the City of Boston. Appendix E sets forth certain information regarding Assessments and Local Aid.

This Official Statement does not contain the audited financial statements of the Authority or general financial and operating information about the Authority because the Bonds are secured by a first lien on Assessments and other Pledged Revenues (hereinafter defined) under the Assessment Bond Trust Agreement and, as described herein, amounts available under the Sales Tax Bond Trust Agreement, and do not constitute a general obligation of the Authority, and the Assessments are not derived from or otherwise related to the Authority's operations. See "THE AUTHORITY – Operations." For further information about the Authority, reference is made to the Authority's most recent annual report filed pursuant to the Authority's continuing disclosure undertaking for certain Prior Obligations, which report includes audited financial statements, among other information.

### **THE AUTHORITY**

The Authority was created in 1964 and is a body politic and corporate and a political subdivision of the Commonwealth. Under the Enabling Act, the territorial area of the Authority consists generally of 176 cities and towns directly or indirectly receiving Authority service with a population of approximately 4.8 million. The 176 cities and towns are grouped into three categories, based upon the weighting of each member's allocable percentage of Assessments: (i) the 14 cities and towns; (ii) the 51 cities and towns; and (iii) the other served communities. See APPENDIX E – "Information Regarding Assessments and Local Aid" for a list of such cities and towns grouped by such categories. The Authority finances and operates mass transportation facilities within its territory and to a limited extent outside its territory and is authorized to enter into agreements for providing mass transportation service by private companies, including railroads.

The Enabling Act does not provide for the Authority to be a debtor under the federal bankruptcy code.

### **Board of Directors**

Under the Enabling Act, as amended in July 2021, the Authority is governed and its corporate powers exercised by a seven-member board of directors (the "Board"). The Board consists of: the Secretary of Transportation for the Commonwealth, who serves *ex officio*; one person appointed by the MBTA advisory board who shall have municipal government experience in the service area constituting the Authority and experience in transportation operations, transportation planning, housing policy, urban planning or public or private finance; and five persons appointed by the Governor, one of whom shall have

experience in safety, one of whom shall have experience in transportation operations, one of whom shall have experience in public or private finance, one of whom shall be a rider as defined in the Enabling Act and a resident of an environmental justice population, and one selected from a list of three persons recommended by the president of the Massachusetts State Labor Council, AFL-CIO. Additionally, not less than two of the appointed members shall also be members of the board of directors of the Massachusetts Department of Transportation (“MassDOT”).

The term of each Board member, except for the Secretary, shall be four years; provided, however, that three of the members appointed by the Governor, not including the secretary, shall serve for terms that are coterminous with the Governor. Board members are eligible for reappointment, provided, that no member serve more than two terms. A member appointed to fill a vacancy in the Board shall serve only for the unexpired portion of the term of the former member but may be appointed to serve two full terms thereafter. Not more than four Board members shall be enrolled in the same political party. The Governor shall designate one member to serve as chair and the Board shall elect one member to serve as vice-chair; provided, however, that the Secretary shall not serve as chair or vice-chair.

The Authority’s Board of Directors consists of the following:

<u>Name</u>	<u>Appointment</u>	<u>Term expires</u>
Elizabeth “Betsy” Taylor*, <i>Chair</i>	Appointed by Governor	Coterminous with Governor
Robert Butler	Appointed by Governor upon recommendation of Massachusetts State Labor Council, AFL-CIO	October 7, 2025
Thomas “Scott” Darling	Appointed by Governor	Coterminous with Governor
Travis McCready	Appointed by Governor	October 7, 2025
Mary Beth Mello	Appointed by Governor	Coterminous with Governor
Thomas Koch	Appointed by MBTA Advisory Board	October 7, 2025
Jamey Tesler*, <i>Ex Officio</i>	Secretary of Transportation	Coterminous with Governor

---

\*Also serve as members of the Board of MassDOT.

Prior to the establishment of the current Board, the MBTA was governed by and its corporate powers exercised by the Board of MassDOT, since the enactment of certain transportation reform in 2009 that also provided for the dissolution of the Massachusetts Turnpike Authority and transfer of its assets to MassDOT. A Fiscal Management and Control Board (the “FMCB”) provided additional governance of the Authority during 2015 to June 30, 2021. The FMCB resulted from a special panel to review the management and financial condition of the MBTA established by the Governor in response to widespread system failures experienced by the MBTA during the unusually severe 2015 winter weather in Massachusetts.

## Administration

The Authority's principal officers include as follows:

<u>Name</u>	<u>Title</u>
Steve Poftak	General Manager
David Panagore	Chief Administrative Officer
Mary Ann O'Hara	Chief Financial Officer
Marie Breen	General Counsel

## General

The MBTA is the oldest and fifth largest transit system in the country, operating subway, trackless trolley, trolley, bus and commuter rail service throughout eastern Massachusetts. Prior to the COVID-19 pandemic, the Authority was responsible for an estimated 1.3 million passenger trips on average per business day, providing approximately 55% of all work trips to Boston. The MBTA operates over 38 miles of "heavy" rail routes. Service is also provided by streetcars and light rail vehicles on 26 miles of additional rail routes. The Authority owns more than 1,000 buses that cover routes totaling 1,127 miles. The MBTA's Railroad Operations Division operates a revenue fleet of 420 coaches and 90 locomotives, serving 141 stations across the Commonwealth. In addition, the MBTA provides a broad range of other passenger services, including commuter boats, "The Ride" paratransit service, and express buses.

As of March 1, 2022, the Authority employed 6,287 employees.

As described under "CERTAIN INVESTMENT CONSIDERATIONS – Impact of COVID-19," ridership fell drastically as a result of the COVID-19 pandemic, and the Authority implemented a number of cost savings initiatives.

## Operations

Under the Enabling Act, the Authority is required to meet all of its expenditures, both operating and capital, from a combination of Dedicated Revenues, federal and state assistance and own-source revenues generated from operation of the Authority's transportation system. For information regarding capital expenditures and federal assistance therefor, see "THE AUTHORITY – Capital Investment Program."

The Authority's Fiscal Year 2022 adopted budget includes operating expenses (excluding debt service) of \$1,887 million and debt service of \$467.8 million.

The Fiscal Year 2022 budget assumes receipt of Dedicated Revenues for Fiscal Year 2022 of \$1,353.6 million, including approximately \$1,174.3 million of Dedicated Sales Tax and approximately \$179.3 million of Assessments. See "SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX" and "ASSESSMENTS."

The Authority generates revenues from operation of its transportation system, including both fare revenues and non-fare revenues such as those derived from parking, advertising and real estate, budgeted to be \$245.7 million for Fiscal Year 2022. The Authority also generates other non-operating revenues, such as investment earnings. The aggregate of all other non-operating revenues for Fiscal Year 2022,

which also includes amounts received under federal stimulus appropriations, is budgeted to be \$269.5 million. See “CERTAIN INVESTMENT CONSIDERATIONS – Impact of COVID-19.”

The Fiscal Year 2022 operating budget also relies on state assistance of \$127 million. The Governor’s proposed budget for Fiscal Year 2023 of the Commonwealth provides an increase in state assistance to \$187 million for Fiscal Year 2023.

The Bonds are secured by a first lien on Assessments and other Pledged Revenues, prior to the payment of operating expenses. See “SECURITY FOR THE ASSESSMENT BONDS – Historical Debt Service Coverage” for certain information regarding debt service coverage on Assessment Bonds. The Authority may issue additional Assessment Bonds on parity with the Bonds and other Outstanding Assessment Bonds, subject to the conditions set forth in the Assessment Bond Trust Agreement, See “SECURITY FOR THE ASSESSMENT BONDS – Additional Indebtedness.”

Under the Enabling Act, the pledge and receipt of Dedicated Revenues is not contingent upon the Authority’s provision of transportation services. Under the Enabling Act, the obligation of cities and towns in the Authority’s territory to pay Assessments is not contingent upon the Authority’s provision of specified transportation services to those cities and towns, though the Massachusetts Supreme Judicial Court has held that the method by which Authority costs are assessed on particular communities must be reasonable and not arbitrary. For more information regarding the obligation of cities and towns to pay Assessments, see “ASSESSMENTS – Legal Obligations of Assessed Cities and Towns.”

## **Indebtedness**

*Prior Obligations.* Prior to July 1, 2000, in order to fund a portion of its capital program, the Authority periodically issued bonds under the General Bond Resolution of the Authority adopted February 15, 1967, as amended (the “General Transportation Bond Resolution”), and had issued notes and entered into certain leases and other obligations. Such bonds, notes, leases and other obligations outstanding as of July 1, 2000 are collectively referred to herein as the “Prior Obligations.”

The Prior Obligations were a general obligation of the Authority. However, if the Authority lacked funds to pay such indebtedness, the Commonwealth was obligated to pay such amount, to which obligation the Commonwealth’s full faith and credit was pledged (the “Commonwealth Guaranty”). In addition, the Commonwealth entered into a contract for financial assistance with the Authority pursuant to which the Commonwealth agreed to pay a portion of the debt service on the Prior Obligations (“Section 28 Assistance”). Furthermore, the Commonwealth paid to the Authority the total amount of expenses in excess of revenues (“Net Cost of Service”).

Prior to July 1, 2000, the Prior Obligations were payable from Section 28 Assistance and the Authority’s reimbursement from the Commonwealth for Net Cost of Service or by a combination of the foregoing. Commencing July 1, 2000, the Authority no longer received Net Cost of Service, which had been unlimited, or Section 28 Assistance, and is no longer authorized to issue indebtedness supported by the Commonwealth Guaranty.

While the Authority no longer may incur indebtedness supported by the Commonwealth Guaranty, to the extent that the Dedicated Revenues are insufficient in any year to provide for the payment of the Prior Obligations in such year, the Commonwealth shall remain liable to pay such Prior Obligations to the same extent as under the Enabling Act in effect prior to July 1, 2000. The Enabling Act provides, however, that any such payment by the Commonwealth shall be repayable within five years by the Authority, without interest, from Dedicated Revenues.

The Enabling Act further provides that in order to draw upon Dedicated Revenues credited to the State and Local Contribution Fund, including Dedicated Sales Tax, for any fiscal year, the Authority shall have certified that it has provided in its annual budget for each year for the payment of Prior Obligations during such year and the Authority has so certified with respect to its current annual budget. See “SECURITY FOR THE ASSESSMENT BONDS – Pledge Under the Sales Tax Bond Trust Agreement” and “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX.”

The payment of Prior Obligations each year is provided for under the Sales Tax Bond Trust Agreement to be paid from the Dedicated Sales Tax. Under the Enabling Act, the Dedicated Sales Tax may not be less than the base revenue amount (as defined in the Enabling Act). The Dedicated Sales Tax is projected to be \$1,325,120,000 for Fiscal Year 2023 and is expected to exceed the Fiscal Year 2023 Base Revenue Amount of \$1,128,475,839. See “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX.”

Outstanding Prior Obligations include without limitation the Authority’s General Transportation System Bonds and certain leases.

As of March 1, 2022, the Authority had outstanding \$110.21 million aggregate principal amount of General Transportation System Bonds issued under its General Transportation Bond Resolution. The outstanding General Transportation System Bonds bear interest at variable rates. Because under the Enabling Act the Authority is no longer authorized to issue bonds supported by the Commonwealth Guaranty or Section 28 Assistance, the Authority does not expect to issue any additional General Transportation System Bonds.

The Authority is a party to several fully defeased leases under which there are no regularly scheduled payments by the Authority. In addition to its regularly scheduled lease payments, the Authority, under certain circumstances, may be required to pay additional amounts to the lessor. All payments under such leases are subordinate to the payment of debt service on the Bonds.

In the event the Authority draws upon any of its liquidity facilities for its variable rate indebtedness, the Authority would be required to repay the liquidity provider the principal amount of such draw with interest at a variable rate substantially in excess of the rates assumed in the table of Prior Obligation Debt Service Requirements below.

The following table sets forth the total annual regularly scheduled debt service requirements on outstanding Prior Obligations for each fiscal year:

**Prior Obligations Debt Service Requirements<sup>(1)</sup>**

<u>Year</u>	<u>Principal</u>	<u>Interest<sup>(1)</sup></u>	<u>Total</u>	<u>Year</u>	<u>Principal</u>	<u>Interest<sup>(1)</sup></u>	<u>Total</u>
2023	\$10,740,000	\$3,306,300	\$14,046,300	2027	\$14,080,000	\$1,875,450	\$15,955,450
2024	11,495,000	2,984,100	14,479,100	2028	15,065,000	1,453,050	16,518,050
2025	12,300,000	2,639,250	14,939,250	2029	16,120,000	1,001,100	17,121,100
2026	13,160,000	2,270,250	15,430,250	2030	17,250,000	517,500	17,767,500

Source: The MBTA

<sup>(1)</sup> Assumes a 3% interest rate per annum for the outstanding Prior Obligations, which consist solely of the General Transportation System Bonds, Variable Rate Demand Obligations, 2000 Series A-1 and A-2 (“2000 Bonds”) outstanding in the aggregate principal amount of \$110,210,000, which bear interest at a variable rate reset weekly.

*Hedge Agreements.* The Authority has in place a swap with JPMorgan Chase & Co. in the notional amount of \$79,645,000 as of March 1, 2022, which was executed to hedge the Authority's Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2010 Series A. Pursuant to the swap agreement, the Authority receives a variable rate equal to the Securities Industry and Financial Markets Association Municipal Swap Index (the "SIFMA Index") in exchange for fixed rate payments. On February 8, 2017, the Authority amended the swap agreement to reduce the fixed rate to 2.00% (from 5.61%, respectively). While the Sales Tax Bonds originally hedged with the swap are no longer outstanding, the swap agreement remains in effect until March 1, 2030, respectively, and hedges other outstanding indebtedness of the Authority. The swap agreement constitutes a Qualified Hedge Agreement under the Sales Tax Bond Trust Agreement. Therefore, regularly scheduled payments under such swap agreements are made under the Sales Tax Bond Trust Agreement from the Senior Debt Service Fund, and payments received by the Authority are deposited in the Senior Debt Service Fund. Termination payments are payable from the General Fund under the Sales Tax Bond Trust Agreement, subordinate to Sales Tax Bonds. Any payments made by the Authority in the event the counterparty is in default are general unsecured obligations of the Authority. See APPENDIX B – "Summary of Certain Provisions of the Sales Tax Bond Trust Agreement – Hedging Transactions."

*Assessment Bonds.* The Authority has three outstanding series of Assessment Bonds, which, as of March 1, 2022 were outstanding in the aggregate principal amount of \$533.015 million, which includes the Refunded Bonds and the Defeased Bonds. Under the Assessment Bond Trust Agreement, the Authority pledges to the payment of obligations thereunder pledged revenues, including Assessments. See "SECURITY FOR THE ASSESSMENT BONDS – Pledge Under the Sales Tax Bond Trust Agreement."

*Sales Tax Bonds.* As of March 1, 2022, \$4,027.315 million in aggregate principal amount of Sales Tax Bonds were outstanding, of which \$2,719.680 million constitute Senior Sales Tax Bonds and \$1,307.635 million constitute Subordinated Sales Tax Bonds, which includes \$50 million issued on April 24, 2020 to secure a line of credit that terminates on May 5, 2022.

The Authority also has outstanding the USDOT Loan with the United States Department of Transportation ("USDOT") under its Railroad Rehabilitation & Improvement Financing ("RRIF") program, executed in July 2020, in an aggregate amount not to exceed \$851.15 million, to fund components of the MBTA's commuter rail safety and resiliency project (the "Commuter Rail Project"). The USDOT Loan consists of three tranches, the first of which was drawn down in December 2021: (i) the PTC Tranche, in an amount of \$382,000,000 (and outstanding as of March 1, 2022 in the amount of \$370,391,790.65), maturing January 1, 2039, (ii) the ATC Tranche, in an amount up \$369,064,667, maturing the earlier of the Semi-Annual Payment Date occurring on or immediately prior to the twentieth anniversary of completion of Phase II of the Commuter Rail Project, related to automatic train control, and July 1, 2042, and (iii) the Resiliency Tranche, in an amount up \$100,085,333, maturing the earlier of the thirtieth anniversary of completion of Phase III of the Commuter Rail Project, related to other resiliency projects for the commuter rail, and January 1, 2054. As described under "SECURITY AND SOURCES OF PAYMENT FOR THE SALES TAX BONDS – Flow of Funds" herein, the USDOT Loan is secured by Subordinated Sales Tax Bonds and payable after payment of debt service on Subordinated Sales Tax Bonds, unless there is a default on the USDOT Loan, in which case the USDOT Loan is paid on a parity basis with Senior Sales Tax Bonds.

In addition, the Authority maintains a commercial paper program under the Sales Tax Bond Trust Agreement in the aggregate principal amount not to exceed \$400 million. Such commercial paper notes are secured by the Sales Tax Bond Trust Agreement and repaid by the proceeds of other notes, Sales Tax Bonds or the Dedicated Sales Tax. As of March 23, 2022, \$40 million in aggregate principal amount of such notes was outstanding, a portion of which are expected to be repaid with certain proceeds of the Bonds.

*Equipment Leases.* The Authority has from time to time entered into numerous equipment financing leases with terms not greater than five years. Annual payments under such leases are payable as operating expenses.

*Limitation on Debt Under the Enabling Act.* As provided in the Transportation Reform Act, the Authority no longer is subject to a statutory dollar limit on the amount of debt outstanding.

### **Capital Investment Program**

The business of the Authority is capital intensive. In 1964, the Authority assumed control of the properties of its predecessor, the Metropolitan Transit Authority and since that time, the Authority has consistently engaged in a major program of capital improvements to modernize its equipment, improve its physical plant, and relocate and extend its rapid transit and commuter rail lines. The program is funded primarily through a combination of bonds issued by the Authority under the Assessment Bond Trust Agreement and the Sales Tax Bond Trust Agreement, bonds issued by the Commonwealth and federal aid.

Under the Enabling Act, the Authority is required to develop a comprehensive, long-term (not greater than 25 years) Program for Mass Transit (the “Program”). In addition, the Authority is required to implement the Program through rolling five-year capital investment programs adopted each year (each, a “CIP”). The Program and each CIP shall be based on the impact of projects on the effectiveness of the Commonwealth’s transportation system, service quality standards, environment, health and safety, operating costs, prevention or avoidance of deferred maintenance, and debt service costs.

The Enabling Act requires that each CIP shall identify for each project therein, the purpose and intended benefits, the total budget and timeline, the budget impact for the next fiscal year, the impact on operating expenses and revenues, and the cost of scheduled maintenance and useful life and shall prioritize the projects based upon the factors set forth above, with the highest priority to scheduled maintenance to prevent the deferral of routine and scheduled maintenance, projects with greatest benefits with least cost, certain transit projects intended to mitigate the potential adverse air quality impacts of the Central Artery/Tunnel Project, and compliance with the Americans with Disabilities Act. Furthermore, scheduled maintenance shall be undertaken prior to system expansion, unless expansion is required by law or is cost-effective, environmentally beneficial or produces quantifiable savings.

The Authority expects to adopt a five-year Capital Investment Plan for Fiscal Years 2023 through 2027 in May 2022. Due to uncertainties related to the impact of COVID-19, the Authority operated on a one-year CIP for Fiscal Years 2021 and 2022.

Total anticipated expenditures under the Authority’s Capital Investment Plan for Fiscal Years 2023 through 2027 equal approximately \$9.396 billion. Of such amount, approximately \$1.231 billion is expected to be financed from Commonwealth bonds, \$4.378 billion is expected to be funded from Authority sources, including proceeds of bonds and loans as described below, approximately \$3.721 billion is expected to be funded from federal assistance, with the remainder funded from (i) pay-as-you-go capital funds, including amounts on deposit in the Capital Maintenance Fund and the Lockbox Capital Maintenance Fund and (ii) local funds and state and third-party reimbursements. The current capital program funds a variety of projects, including those necessary to comply with legal commitments, such as funding of the Commuter Rail Safety and Resiliency Program.



For initial planning purposes, the Authority assumes the amount of the CIP to be funded from Authority bonds and loans to be approximately \$590 million annually for Fiscal Years 2023 through 2025 and \$500 million annual for Fiscal Years 2026 and 2027, which amount is subject to change depending on a number of factors to be determined in connection with the development of future CIPs.

The Commonwealth’s transportation bond bill, enacted January 15, 2021, authorizes the issuance of \$4.92 billion of Commonwealth bonds for MBTA projects, including without limitation, \$825 million for the expansion of commuter rail to the south coast, \$595 million for the green line extension, and \$200 million for improvements at South Station. The MBTA’s current and future CIPs will rely, in part, on such funding source.

In the absence of additional federal government and Commonwealth operational support, the amount of debt service the Authority must pay will directly affect the amount of the Dedicated Revenues, after the payment of debt service, which is available to the Authority to support its operations, maintenance and capital reinvestment needs. The level or cost of the Authority’s transportation services will not affect the availability of the Dedicated Sales Tax, Assessments or other Pledged Revenues to meet debt service requirements on the Sales Tax Bonds and the Assessment Bonds. See “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS – Legal Obligations of Assessed Cities and Towns” and “DEDICATED SALES TAX.”

### PLAN OF FINANCING

The Refunded Bonds and Defeased Bonds consist of the principal amounts of the Assessment Bonds set forth in the following tables.

#### Assessment Bonds, 2006 Series A

Maturity (July 1)	Principal Amount	Interest Rate	CUSIP
2026	\$ 1,815,000	5.250%	575577HT1
2027	12,355,000	5.250	575577HU8

#### Assessment Bonds, 2012 Series A

Maturity (July 1)	Principal Amount	Interest Rate	CUSIP
2023	\$18,060,000	5.000%	575577MP3
2024	3,470,000	5.000	575577MQ1
2037	63,990,000	4.000	575577MY4
2041	70,000,000	4.050	575577MR9
2041	76,010,000	5.000	575577MZ1

#### Assessment Bonds, 2016 Series A

Maturity (July 1)	Principal Amount	Interest Rate	CUSIP
2027	\$3,595,000	5.000%	575577NF4

Upon authentication and delivery of the Bonds, a portion of the proceeds of the Bonds will be deposited with the Trustee, as escrow agent, pursuant to a refunding escrow agreement (the “Refunding Escrow Agreement”). Such amount will be invested in certain Defeasance Obligations until July 1, 2022, the redemption date for the Refunded Bonds, and will be applied on such date to pay the redemption price of the Refunded Bonds, plus accrued interest to such redemption date. Upon deposit of such amount under the Refunding Escrow Agreement, the Refunded Bonds will no longer be outstanding under the Assessment Bond Trust Agreement, but will be payable solely from the amount held under the Refunding Escrow Agreement.

Simultaneously with the issuance of the Bonds, the Authority and the Trustee are entering into a defeasance escrow agreement (the “Defeasance Escrow Agreement”) providing for the deposit of certain amounts released from the Assessment Bond Trust Agreement as a result of the amendments thereof, including providing for no funding of the Debt Service Reserve Fund. Such amounts will be invested in U.S. Treasury Securities – State and Local Government Series until the respective maturity dates of the Defeased Bonds. Upon deposit of such amount under the Defeasance Escrow Agreement, the Defeased Bonds will no longer be outstanding under the Assessment Bond Trust Agreement, but will be payable solely from the amount held under the Defeasance Escrow Agreement.

### **SOURCES AND USES OF FUNDS**

The proceeds from the sale of the Bonds and other available funds are expected to be applied as follows (rounded to the nearest dollar):

#### Sources of Funds

Principal Amount	\$295,170,000
Net Original Issue Premium	43,145,469
Other available funds of the MBTA	<u>33,674,189</u>
Total Sources of Funds	\$371,989,658

#### Uses of Funds

Refunding the Refunded Bonds	\$236,382,071
Defeating the Defeased Bonds	20,138,250
Portion of Capital Investment Program	73,704,179
Repayment of Commercial Paper Notes	40,000,000
Costs of Issuance/Underwriters’ Discount	<u>1,765,158</u>
Total Uses of Funds	\$371,989,658

### **Designation of the Subseries A-2 Bonds as Sustainability Bonds.**

The Authority has made a commitment to promoting projects that maximize and equitably distribute social benefits across the communities it serves and that maximize the environmental benefits of the transportation system (“Sustainability Projects”). The Authority has adopted a framework (the “Sustainability Bond Framework”) that focuses on financing Sustainability Projects with revenue bonds and notes (“Sustainability Bonds”). The purpose of identifying the Subseries A-2 Bonds as Sustainability Bonds is to allow investors to invest directly in obligations that finance socially and environmentally beneficial and sustainable projects. Such Bonds are issued on a parity with all Outstanding and any future

issues of Assessment Bonds by the Authority pursuant to the Assessment Bond Trust Agreement. Holders of Sustainability Bonds, including the Subseries A-2 Bonds, do not assume any specific project risk related to any of the funded Sustainability Projects. The designation of the Subseries A-2 Bonds is not an endorsement or guarantee of any matter, but merely represents the Authority's commitments solely as described herein. The designation of the Subseries A-2 Bonds is not an endorsement or guarantee of any matter, but merely represents the Authority's commitment solely as described herein.

### **Use of Proceeds of the Sustainability Bonds.**

The Authority expects to use the proceeds of Sustainability Bonds, including the Subseries A-2 Bonds, to finance eligible projects that provide environmental and/or social benefits. Environmental benefits center on the transition to a low-carbon, climate resilient and sustainable community. Social benefits may include, but are not limited to, access to essential services and affordable infrastructure, critical health and safety improvements, and socioeconomic advancement. Projects identified for use of proceeds include the Wellington Yard Complete Upgrade, the Lechmere Viaduct Rehabilitation and Fare Transformation, among others. More information on these projects can be found at: <https://www.mbta.com/sustainability>.

### **Project Evaluation and Selection.**

The Authority has established a committee (the "Sustainability Bond Committee"), made up of internal stakeholders, directors and managers with responsibility for maintaining the Sustainability Bond Framework and evaluating projects that may be candidates for Sustainability Bond funding. It is the responsibility of the Sustainability Bond Committee to review all proposed and existing Sustainability Projects to determine their compliance with the Sustainability Bond Framework. The Authority expects to finalize the allocation of proceeds of the Subseries A-2 Bonds to eligible Sustainability Projects within twelve (12) months of issuance of the Bonds. Funds may be reallocated to other eligible projects at any time during the term of the Bonds.

The MBTA's Sustainability Bond Framework was developed using guidance from the International Capital Market Association, which recently sought alignment with the United Nations Sustainable Development Goals. By referencing the "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals", MBTA's Sustainability Bonds aim to further several of the United Nations Sustainable Development Goals. Specifically, the projects funded will aim to address goals 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities), and 13 (Climate Action).

### **Management of Proceeds.**

The Authority will systematically manage and track the proceeds of each Sustainability Bond. The Authority will establish a distinct account for the proceeds of each Sustainability Bond and will track the use of such proceeds via its capital management and treasury information systems. The Authority expects to establish a register, recording each Sustainability Project financed by Sustainability Bond proceeds. Investment of Sustainability Bond proceeds prior to deployment will be in accordance with the Trust Agreement and the Authority's investment policy.

## **Post-Issuance Reporting on Sustainability Projects.**

The Authority plans to report annually on its Sustainability Bonds and to post such reports (“Sustainability Progress Reports”) on its website. Such reports are expected to include:

- Aggregate amounts of funds allocated to each eligible Sustainability Project along with a description of the Sustainability Projects being financed;
- The remaining balance of unallocated net proceeds of Sustainability Bonds at the end of the reporting period;
- Qualitative performance indicators and, where feasible, quantitative performance measures of the environmental and social objectives of the eligible Sustainability Projects;
- Methods and key underlying assumptions used in the preparation of the performance indicators and metrics; and
- Confirmation that the use of net proceeds of each Sustainability Bond conforms to the Sustainability Bond Framework.

The Authority expects to publish each Sustainability Progress Report on the Authority’s website, in the section for financial reporting, found at <http://www.mbt.com/sustainability/sustainability-bonds>. Once all net proceeds of a particular Sustainability Bond have been spent, no further updates will be provided with respect to that issue.

## **THE BONDS**

The Bonds will be issued in the aggregate principal amount of \$295,170,000, consisting of \$197,970,000 Subseries A-1 and \$97,200,000 Subseries A-2 (Sustainability Bonds). The Bonds will be dated the date of delivery, will mature on the dates and years and bear interest from their date at the per annum rates, all as set forth on the inside cover pages hereof. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2023.

The Bonds are being issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co., is Holder, payments of the principal of and interest on the Bonds will be made directly to such Holder. Disbursement of such payments to the DTC Participants (hereinafter defined) is the responsibility of DTC and disbursement of such payments to Beneficial Owners (hereinafter defined) is the responsibility of the DTC Participants and the Indirect Participants (hereinafter defined). See “BOOK-ENTRY ONLY SYSTEM.”

## **REDEMPTION PROVISIONS**

### **Optional Redemption**

The Bonds maturing after July 1, 2032 will be subject to redemption prior to maturity at any time on and after July 1, 2032 at the option of the Authority from any moneys available therefor, in whole or in part in integral multiples of \$5,000 in principal amount, and if in part within such series and maturity dates as the Authority shall determine and by lot within any group of such Bonds with the same maturity date, at 100% of the principal amount to be redeemed.

## **Mandatory Sinking Fund Redemption of Subseries A-2 Bonds**

The Subseries A-2 Bonds maturing on July 1, 2052 are subject to mandatory redemption prior to maturity in part on July 1 in the years and in the amounts set forth below through the application of Sinking Fund Payments at a Redemption Price equal to the principal amount of each Subseries A-2 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date.

<u>Year</u>	<u>Sinking Fund Payment</u>
2048	\$ 7,920,000
2049	20,715,000
2050	21,750,000
2051	22,835,000
2052 <sup>+</sup>	23,980,000

<sup>+</sup>Stated maturity.

### **Selection of Bonds to be Redeemed**

If less than all of the Bonds of a series or subseries are to be redeemed, the particular maturities or Sinking Fund Installments of such Bonds of such series or subseries to be redeemed at the option of the Authority will be determined by the Authority in its sole discretion.

### **Notice of Redemption; Effect of Redemption**

In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal corporate trust office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers and series and subseries, as applicable, of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption.

Such notice shall be given by mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to each Bondowner to be redeemed at its address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Bondowner or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds. The Trustee shall send a second notice of redemption by certified mail return receipt requested to any registered Bondowner who has not submitted Bonds called for redemption 30 days after the redemption date, provided, however, that the failure to give any second notice by mailing, or any defect in such notice, shall not affect the validity of any proceedings for the redemption of any of the Bonds and the Trustee shall not be liable for any failure by the Trustee to send any second notice.

Any Bonds and portions of Bonds that have been duly selected for redemption and that are paid in accordance with the Sales Tax Bond Trust Agreement shall cease to bear interest on the specified redemption date.

## BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series and subseries, as applicable, of the Bonds, each in the aggregate principal amount of such maturity and series and subseries, as applicable, and will be deposited with DTC.

*General.* DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has the S&P rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

*Direct and Indirect Participants acting on behalf of Beneficial Owners.* Beneficial Owners will not receive certificates representing their ownership interest in the Bonds except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be

the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a single maturity of a series or subseries, as applicable, are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

**The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.**

***No Responsibility of Authority and Trustee.* Neither the Authority nor the Trustee will have any responsibility or obligations to direct participants or the persons for whom they act as nominees with respect to the payments to or the providing of notice for direct participants, indirect participants, or beneficial owners.**

**So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondowners or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.**

*Certificated Bonds.* DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. In addition, the Authority may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners of the Bonds. If for either reason the Book-Entry Only System is discontinued, Bond certificates will be delivered as described in the Sales Tax Bond Trust Agreement and the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Bondowner. Thereafter, the Bonds may be exchanged for an equal aggregate principal amount of the Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Bond may be registered on the books maintained by the Trustee for such purpose only upon assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of the Bonds, the Authority and the Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the Bondowner for any exchange or registration of transfer of the Bonds. The Trustee will not be required to transfer or exchange any Bond during the notice period preceding any redemption if such Bond (or any part thereof) is eligible to be selected or has been selected for redemption.

### **Transfer and Exchange**

In the event that the Book-Entry Only System is discontinued, the following provisions would apply: Bonds of a series or subseries, as applicable, may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same series or subseries, as applicable, and maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender thereof by the registered owner or by such owner's attorney duly authorized in writing to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of Bonds the Authority and the Trustee may make a charge to the owner an amount sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer, and, except for (i) with respect to the delivery of definitive Bonds in exchange for temporary bonds; (ii) in the case of a bond issued upon the first exchange or transfer of a Bond surrendered for such purpose within sixty (60) days after the first authentication and delivery of the Bonds; or (iii) as otherwise provided in the Sales Tax Bond Trust Agreement, the Trustee may charge a sum sufficient to pay the cost of preparing each new Bond issued upon 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.

Neither the Authority nor the Trustee shall be required (i) to register, transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment on the Bonds or next preceding any selection of Bonds to be redeemed or thereafter until the mailing of any notice of redemption; or (ii) to register, transfer or exchange any Bonds called for redemption.

*[Remainder of page intentionally left blank]*



## DEBT SERVICE REQUIREMENTS ON ASSESSMENT BONDS

The following table sets forth Debt Service on all of the outstanding Assessment Bonds in each Fiscal Year.

FY Ending June 30	Outstanding Assessment Bonds <sup>(1)</sup>	Bonds		Total
		Principal	Interest	
2022 <sup>(2)</sup>	\$42,640,531			\$42,640,531
2023	12,322,825	\$17,530,000	\$16,712,004	46,564,829
2024	43,112,825		12,859,394	55,972,219
2025	56,378,525		12,859,394	69,237,919
2026	56,841,725		12,859,394	69,701,119
2027	56,840,425		12,859,394	69,699,819
2028	23,235,438	1,195,000	12,859,394	37,289,831
2029	9,562,900	1,255,000	12,799,644	23,617,544
2030	34,478,675	1,315,000	12,736,894	48,530,569
2031	33,375,138	1,380,000	12,671,144	47,426,281
2032	68,775	1,450,000	12,602,144	14,120,919
2033	68,775	1,525,000	12,529,644	14,123,419
2034	68,775	1,600,000	12,453,394	14,122,169
2035	1,378,775	1,680,000	12,373,394	15,432,169
2036		24,805,000	12,289,394	37,094,394
2037		26,070,000	11,049,144	37,119,144
2038		27,485,000	9,745,644	37,230,644
2039		28,905,000	8,371,394	37,276,394
2040		30,260,000	7,055,244	37,315,244
2041		31,515,000	5,844,844	37,359,844
2042			4,860,000	4,860,000
2043			4,860,000	4,860,000
2044			4,860,000	4,860,000
2045			4,860,000	4,860,000
2046			4,860,000	4,860,000
2047			4,860,000	4,860,000
2048		7,920,000	4,860,000	12,780,000
2049		20,715,000	4,464,000	25,179,000
2050		21,750,000	3,428,250	25,178,250
2051		22,835,000	2,340,750	25,175,750
2052		23,980,000	1,199,000	25,179,000

<sup>(1)</sup> Excludes debt service on the Refunded Bonds and the Defeased Bonds, except as described in note <sup>(2)</sup> below. See "PLAN OF FINANCING." Debt service prepared on a budget basis (July 1 principal payment included in the prior fiscal year amount). Assumes the Assessment Bonds, 2006 Series A bearing interest based on CPI, in the principal amount of \$24,260,000, bear interest at 3.00%.

<sup>(2)</sup> Includes debt service paid on January 1, 2022, including on the Refunded Bonds and the Defeased Bonds.

## **SECURITY FOR THE ASSESSMENT BONDS**

The principal of and premium, if any, and interest on the Assessment Bonds are payable from and secured by the pledge of the Authority, all as more fully described below and in APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement – The Pledge Effected by the Assessment Bond Trust Agreement.” All of the Assessment Bonds are also secured by a lien and charge on all funds and accounts created under the Assessment Bond Trust Agreement (other than the Bond Proceeds Fund, while it is held by the Authority, and the Rebate Fund).

The Assessment Bond Trust Agreement provides that the Authority may incur particular obligations, including without limitation Assessment Bonds and notes, and provides for the payment of debt service on Sales Tax Bonds to the extent there are insufficient funds available therefor under the Sales Tax Bond Trust Agreement.

The Assessment Bonds are not subject to acceleration in the event of any default under the Assessment Bond Trust Agreement.

### **Modifications to the Assessment Bond Trust Agreement**

The Assessment Bond Trust Agreement provides that it may be amended by the Authority subject to certain conditions. With certain exceptions, an amendment to the Trust Agreement requires the consent of the Owners of at least a majority in principal amount of the Assessment Bonds Outstanding at the time such consent is given. See APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”

The Twelfth Supplemental Trust Agreement authorizing the issuance of the Bonds provide for the Authority’s approval of modifications to the Trust Agreement. By acceptance of the Bonds, the owners thereof consent to all of the terms of the Trust Agreement, as amended and restated to include the modifications. The issuance of the Bonds and the refunding of the Refunded Bonds provide for the requisite consents to such modifications to be effective as of the date of issuance of the Bonds.

The description of the Bonds and the Assessment Bond Trust Agreement set forth herein reflect all such modifications. APPENDIX A includes a summary of the amendments to the Assessment Bond Trust Agreement under “APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement – Summary of 2022 Amendments.”

### **Pledge Under the Assessment Bond Trust Agreement**

Obligations under the Assessment Bond Trust Agreement are special obligations of the Authority payable solely from the items pledged therefor pursuant to the terms of the Assessment Bond Trust Agreement. Such pledge includes the following:

- all Pledged Revenues;
- Dedicated Payments allocated to Assessment Bonds and interest earnings thereon, if any;
- amounts received from the trustee under the Sales Tax Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement;
- the Deficiency Fund and the Capital Maintenance Fund including the investments, if any, thereof; and

- all Funds and Accounts established under the Assessment Bond Trust Agreement (other than the Bond Proceeds Fund, while it is held and administered by the Authority, and the Rebate Fund), including the investment income thereon, if any.

Under the Enabling Act, the above amounts constituting Dedicated Revenues shall not be reduced or diverted as described under “SECURITY FOR THE ASSESSMENT BONDS – Statutory Covenant.”

The above are pledged for the payment, first, of Assessment Bonds and, second, of Sales Tax Bonds, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the Assessment Bond Trust Agreement.

Assessments are credited to the Fund on or before the last day of each month and are deposited on the day so credited. Assessments are collected by the Commonwealth and deducted from payments from the Commonwealth’s general revenue sharing funds and specific program funds to cities, towns and regional school districts (“Local Aid”) payable by the Commonwealth to assessed cities and towns. The amount of any assessment which exceeds a city or town’s Local Aid is payable directly by such city or town. Under Commonwealth law, there are other competing deductions and potential intercepts of Local Aid.

In accordance with the Assessment Bond Trust Agreement, Assessments credited to the State and Local Contribution Fund shall be deposited as soon as practicable to the Assessment Pledged Revenue Fund; provided, however, that the Authority has certified to the Commonwealth that it has provided for the payment of its Prior Obligations due in any particular Fiscal Year in its annual budget for such Fiscal Year.

Under the Assessment Bond Trust Agreement, “Pledged Revenues” means Assessments, payments received by the Authority from a Provider of a Hedge Agreement that is not a Qualified Hedge and Alternate Revenues, if any. Notwithstanding the preceding sentence, however, Pledged Revenues shall not include (i) Dedicated Payments; or (ii) amounts received under a Qualified Hedge Agreement that are deposited in the Debt Service Fund and have been relied upon in calculating Net Debt Service in accordance with the Assessment Bond Trust Agreement. See “ASSESSMENTS” for additional information concerning Assessments.

Under the Assessment Bond Trust Agreement, “Dedicated Payments” means any revenues of the Authority that are not Pledged Revenues as defined in the Assessment Bond Trust Agreement as initially entered into, which the Authority subsequently pledges as additional security for its payment obligations on Assessment Bonds pursuant to a resolution of the Authority and which are specifically designated as Dedicated Payments by the Authority in accordance with the limitations of the Assessment Bond Trust Agreement and, accordingly, are to be deposited in the Debt Service Fund upon receipt. See APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”

**The Assessment Bonds are not a debt of the Commonwealth or any political subdivision thereof, and neither the Commonwealth nor any political subdivision thereof (other than the Authority) shall be liable thereon, except as described herein. The Authority has no taxing power.**

### **Flow of Funds**

The Assessment Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Trustee:

- (1) the Bond Pledged Revenue Fund;
- (2) the Debt Service Fund; and
- (3) the General Fund.

The Assessment Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Authority:

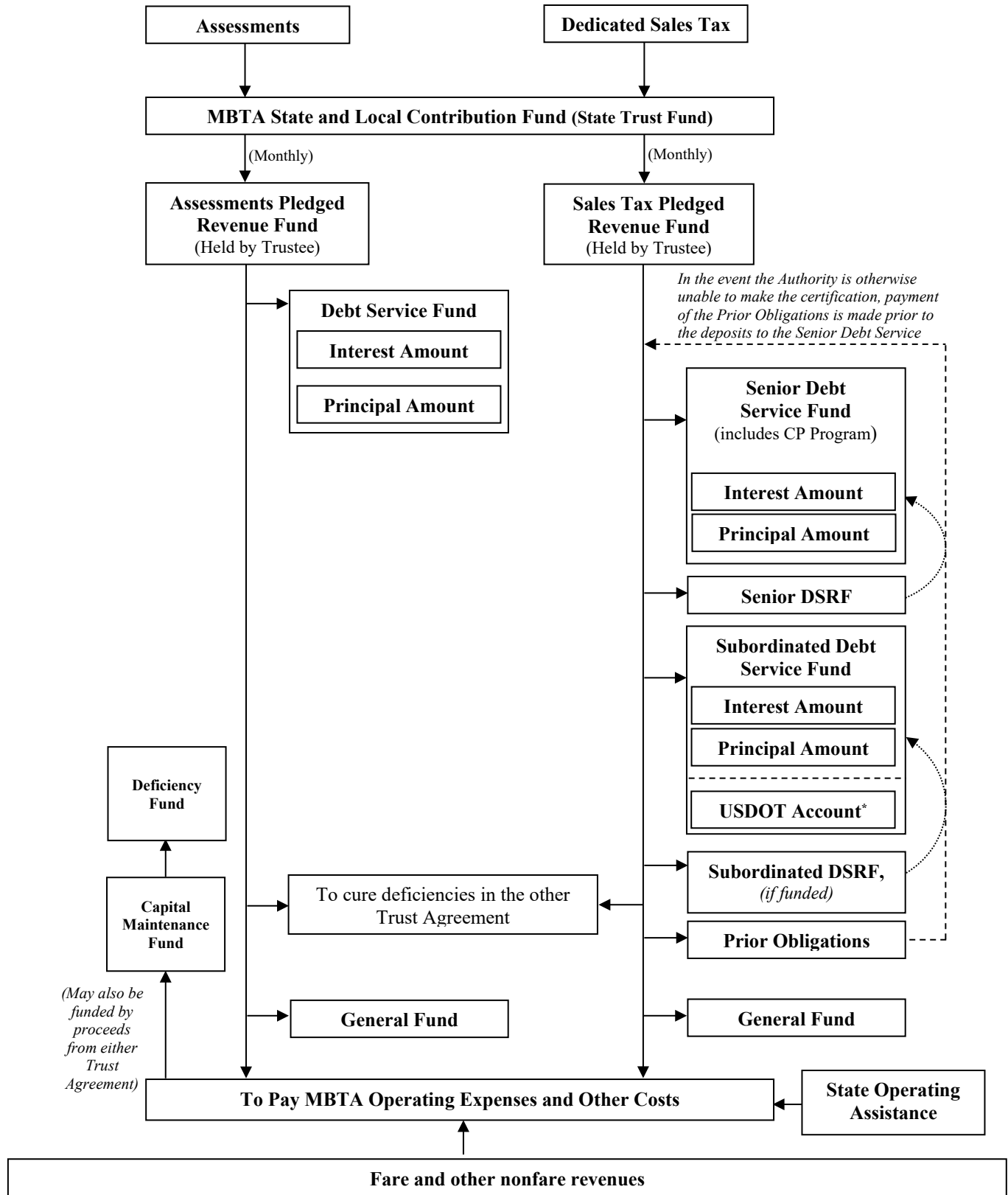
- (1) the Bond Proceeds Fund, which shall include a Capital Account and such other Accounts as the Authority may create by Supplemental Agreement; and
- (2) the Rebate Fund.

The Assessment Bond Trust Agreement permits the establishment of a Debt Service Reserve Fund by Supplemental Agreement, but is not being established for the Bonds.

The Authority by Supplemental Agreement authorizing a series of Assessment Bonds may designate that one or more Accounts in the Bond Proceeds Fund created by such Supplemental Agreement be held and administered by the Trustee and pledged to the Owners of the Assessment Bonds.

Set forth on the following page is an illustration of the flow of funds under the Assessment Bond Trust Agreement and under the Sales Tax Bond Trust Agreement which are more fully described in APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement” – Establishment of Funds and Accounts” through “Debt Service Fund” and in APPENDIX B – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement.”

*[Remainder of page intentionally left blank]*



\* The USDOT Loan is paid from amounts on deposit in the USDOT Account of the Subordinated Debt Service Fund after payment of all other Subordinated Sales Tax Bonds Outstanding. The debt service on the USDOT Loan is included with the other Subordinated Sales Tax Bonds in the calculation of the debt service coverage in connection with the issuance of additional Assessment Bonds.

## **Pledge of Amounts Payable Under the Sales Tax Bond Trust Agreement**

Under the Sales Tax Bond Trust Agreement, the Authority pledges to the payment of obligations thereunder pledged revenues, including the Dedicated Sales Tax. The Authority has previously issued Sales Tax Bonds, which, as of March 1, 2022 were outstanding in the aggregate principal amount of \$4,027.315 million.

The Dedicated Sales Tax consists of the greater of the base revenue amount or the dedicated sales tax revenue amount, both as defined in the Enabling Act. The dedicated sales tax revenue amount is equal to the amount raised by a one percent (1%) statewide sales tax, plus \$160,000,000 annually. The base revenue amount is \$1,128,475,839 for Fiscal Year 2023 and may be adjusted upward each year thereafter.

Under the Assessment Bond Trust Agreement, to the extent the amounts in the Debt Service Fund are insufficient to pay Net Debt Service on Assessment Bonds, including the Bonds, the Trustee shall deliver a certificate to the Authority and the trustee under the Sales Tax Bond Trust Agreement setting forth the amount of the shortfall and shall receive such amount from the Pledged Revenue Fund under the Sales Tax Bond Trust Agreement, to the extent available after deposits are made to pay debt service on, to fund the debt service reserve fund for and to pay rebate with respect to any Sales Tax Bonds issued under the Sales Tax Bond Trust Agreement. For further information relating to the Sales Tax Bond Trust Agreement and Assessments, see “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX” and APPENDIX B – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement.”

## **Pledge Under Assessment Bond Trust Agreement to Sales Tax Bonds**

As described under “Flow of Funds,” in the event the Trustee shall have received a certificate of the trustee under the Sales Tax Bond Trust Agreement that amounts on deposit in any debt service fund thereunder are insufficient to pay debt service on any Sales Tax Bonds, the Trustee shall transfer to such trustee from the Pledged Revenue Fund the amount of the shortfall, to the extent available after making the required deposits to the Debt Service Fund, the Debt Service Reserve Fund (if any) and the Rebate Fund.

## **Deficiency Fund and Capital Maintenance Fund**

Under a separate resolution, the Authority has created a Deficiency Fund and a Capital Maintenance Fund, each of which is pledged to the holders of Sales Tax Bonds under the Sales Tax Bond Trust Agreement and to the holders of Assessment Bonds under the Assessment Bond Trust Agreement. The resolution requires that the Authority shall hold on deposit in such funds the amounts determined from time to time by the Chief Financial Officer of the Authority in their sole discretion. As of March 1, 2022, the Deficiency Fund had a balance of approximately \$692 million and the Capital Maintenance Fund had a balance of \$56 million. Each of the Deficiency Fund and the Capital Maintenance Fund is held by the Authority. The Authority has been substantially increasing balances in the Deficiency Fund from one-time revenues, such as from the Coronavirus Aid Relief and Economic Security Act (the “CARES Act”), and net revenues, as available, to be utilized to address revenue shortfalls, as needed.

## **Additional Indebtedness**

One or more additional series of Assessment Bonds may be authenticated and delivered upon original issue for any of the following purposes or any combination thereof: (i) to pay or provide for the payment of other Authority bonds, notes or other obligations; (ii) to refund Outstanding Assessment Bonds; (iii) to pay costs of the Authority in accordance with the Enabling Act; (iv) to make a deposit to the Bond Proceeds Fund, the Debt Service Fund, the Debt Service Reserve Fund (if any), the Deficiency Fund, or the

Capital Maintenance Fund, including any Accounts therein; and (v) to pay or provide for the payment of the costs incurred in connection with the issuance of Assessment Bonds.

The Assessment Bonds of such Series shall be authenticated only upon receipt of the Trustee (in addition to the other documents required under the Assessment Bond Trust Agreement for the issuance of Assessment Bonds) of a certificate of an Authorized Officer (i) setting forth for the then current and each future Fiscal Year during which such Series of Assessment Bonds shall be Outstanding (a) the Net Debt Service for Outstanding Assessment Bonds after the issuance of such Series of Assessment Bonds, (b) the Residual Sales Tax and (c) the Additional Obligations Debt Service; and (ii) demonstrating that for each year, (a) the greater of (1) the Historic Assessment Amount and (2) the Assessment Floor Amount, divided by the Net Debt Service set forth in clause (i)(a) is at least equal to 1.30; and (b) the sum of the Assessment Floor Amount plus the Residual Sales Tax set forth in clause (i)(b), divided by the Net Debt Service set forth in clause (i)(a) is at least equal to 1.50. In addition, while any Additional Obligations (defined below) are outstanding, the combined coverage described below with respect to Additional Obligations and Assessment Bonds must also be satisfied. See APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement – Provisions for Issuance of Assessment Bonds.”

The following terms are defined in the Assessment Bond Trust Agreement: “Residual Sales Tax” means for any year the greater of the Base Revenue Floor Amount and the Historic Dedicated Sales Tax Revenue Amount less the sum of (i) the estimated debt service on Prior Obligations, (ii) Senior Net Debt Service (as defined in the Sales Tax Bond Trust Agreement), (iii) Subordinated Net Debt Service (as defined in the Sales Tax Bond Trust Agreement) and (iv) debt service on indebtedness (other than Indebtedness) secured by a pledge of or a security interest in and payable from the Dedicated Sales Tax; “Base Revenue Floor Amount” means (as of the date of computation) the base revenue amount (as defined in Section 35T), as most recently certified by the Comptroller of the Commonwealth in accordance with Section 35T; “Historic Dedicated Sales Tax Revenue Amount” means (as of any date of computation) the dedicated sales tax revenue amount, as defined in Section 35T, for any consecutive 12 of the last 24 months, as determined by the Authority; “Assessment Floor Amount” means the amount below which the amount assessed on cities and towns pursuant to the Enabling Act shall not be reduced in accordance with Section 35T; “Additional Obligations Debt Service” means the aggregate debt service on all outstanding Additional Obligations calculated pursuant to the definition of “Debt Service” as if such Additional Obligations were Assessment Bonds; “Historic Assessment Amount” means (as of any date of computation) the amount of the Assessments for the Fiscal Year preceding such computation; and “Historic Revenue Amount” means (as of any date of computation) the total Pledged Revenues for the Fiscal Year preceding such computation.

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness or to enter into a hedge agreement pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness or provider of the hedge agreement is not, except as provided in the Assessment Bond Trust Agreement, entitled to a charge or a lien or right with respect to the Pledged Revenues or the Funds and Accounts created by or pursuant to the Assessment Bond Trust Agreement. Notwithstanding the foregoing, the Authority may by Supplemental Resolution issue bonds, notes or any other obligations or enter into a hedge agreement entitled to a charge or lien or right with respect to the Pledged Revenue or the Funds and Accounts under the Trust Agreement (collectively, “Additional Obligations”), provided that (i) amounts payable on such obligations or under such agreement shall be payable after the deposits to the Debt Service Fund, to the Rebate Fund, to the trustee under the Sales Tax Trust Agreement and to the General Fund and (ii) there is delivered to the Trustee a certificate of an Authorized Officer demonstrating that for the current and each future Fiscal Year in which any Additional Obligations are to be outstanding, the Historic Revenue Amount divided by the sum of the Net Debt Service for Outstanding Assessment Bonds and the Additional Obligations Debt Service, is at least equal to 1.00.

The Assessment Bond Trust Agreement also provides for the issuance by the Authority of General Fund Indebtedness, which means any debt issued by the Authority which is secured or payable from the Pledged Revenues and other amounts on deposit from time to time in the General Fund, provided that the priority of such pledge shall not be prior to or equal to the pledge made by the Assessment Bond Trust Agreement for the benefit of Assessment Bonds.

### **Statutory Covenant**

The Enabling Act contains a statutory covenant that provides, in pertinent part, as follows:

In order to increase the marketability of any bonds or notes of the Authority which may be secured by or payable from amounts held in the Commonwealth's MBTA State and Local Contribution Fund, the sums to be credited to the Fund . . . are hereby impressed with a trust for the benefit of the Authority and the holders from time to time of any such bonds or notes, and, in consideration of the acceptance of payment for any such bonds or notes, the Commonwealth covenants with the purchasers and all subsequent holders and transferees of any such bonds or notes that while any such bond or note shall remain outstanding, and so long as the principal of or interest on any such bond or note shall remain unpaid, the sums to be credited to the Fund . . . shall not be diverted from the purposes identified [in the Enabling Act] and, so long as such sums are necessary, as determined by the Authority in accordance with any applicable trust agreement, bond resolution, or credit enhancement agreement, for the purposes for which they have been pledged, the rates of the excises imposed by said chapters 64H and 64I shall not be reduced below the dedicated sales tax revenue amount or the base revenue amount and the amount to be assessed on cities and towns pursuant to [the Enabling Act] shall not be reduced below \$136,026,868 per Fiscal Year.

In the opinion of Bond Counsel, this covenant is a valid contract between the Commonwealth and the holders of Assessment Bonds and Sales Tax Bonds which is binding on future legislatures. Furthermore, enactment of a law which would reduce the Pledged Revenues below that which is necessary to satisfy the obligations of the Authority to the holders of the Assessment Bonds and Sales Tax Bonds issued prior to enactment of such law, including the holders of the Bonds, would result in an unconstitutional impairment of contract rights or taking of property rights unless such holders are provided reasonable and adequate compensation.

The covenant with respect to the Assessments relates only to the aggregate amount of Assessments to be collected and not to the communities which are assessed or the amounts assessed on individual communities.



## Historic and Pro Forma Debt Service Coverage

The following table sets forth debt service coverage ratio on maximum annual debt service on outstanding Assessment Bonds (“Maximum Annual Debt Service”), excluding issuance of the Bonds and the refunding and defeasance of the Refunded Bonds and the Defeased Bonds, as measured against, for each of the last four Fiscal Years, (i) Assessments received in such Fiscal Year and (ii) the sum of Assessments and the Residual Sales Tax in such Fiscal Year.

Fiscal Year	Maximum Annual Debt Service	Assessments <sup>(1)</sup>	Coverage Ratio	Assessments and Residual Sales Tax <sup>(2)</sup>	Coverage Ratio
2021	82,813,913	177,860,534	2.15	\$995,406,292	12.02
2020	82,813,913	174,373,073	2.11	\$837,935,154	10.12
2019	82,813,913	170,145,000	2.05	\$798,695,431	9.64
2018	82,813,913	166,457,995	2.01	\$766,296,907	9.25

<sup>(1)</sup> See “ASSESSMENTS.”

<sup>(2)</sup> Residual Sales Tax represents the Dedicated Sales Tax less Debt Service on Sales Tax Bonds and Prior Obligations. See “SECURITY FOR THE ASSESSMENT BONDS – Additional Indebtedness,” “Pledge of Amounts Under Sales Tax Trust Agreement” and “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX.”

Following the issuance of the Bonds, the refunding of the Refunded Bonds and the defeasance of the Defeased Bonds, Maximum Annual Debt Service is reduced to approximately \$69.7 million. The ratio of Fiscal Year 2021 Assessments and Fiscal Year 2021 Assessments *plus* the Residual Sales Tax for Fiscal Year 2021 over such Maximum Annual Debt Service is 2.55 and 14.28, respectively.

## ASSESSMENTS

Under the Enabling Act, the Commonwealth’s annual obligation to support the Authority for operating costs and debt service will be limited to the Dedicated Revenues.

The Dedicated Revenues are credited upon receipt, without appropriation, to the Commonwealth’s State and Local Contribution Fund. Such amounts shall be disbursed to the Authority upon the request of the General Manager so long as the Authority shall certify each year that it has provided in its budget for the payment of the Prior Obligations due during such year. In connection with its Fiscal Year 2022 budget, the Authority has certified that it has so provided for such payment of Prior Obligations during Fiscal Year 2022.

Assessments are deposited to the Fund on or before the last day of each month, which is the date not later than which the Commonwealth is required to pay Local Aid to cities and towns.

Under Chapter 161A of Massachusetts General Laws, as in effect prior to July 1, 2000 (the “Prior Act”), specified cities and towns were assessed to reimburse the Commonwealth for cash advances made to pay the Authority’s Net Cost of Service on account of prior fiscal periods. The amount of assessments for any particular period varied, depending on the amount of the Net Cost of Service for that period and offsetting state appropriations, among other things. The Enabling Act increased the number of assessed cities and towns from 78 to 175 commencing in Fiscal Year 2002 and provided a process for other communities to join. In 2015, one additional community joined. Assessments cannot be less than \$136,026,868 and are adjusted each year by the consumer price index for all urban consumers for the Boston metropolitan area as determined by the bureau of labor statistics of the United States department of labor (the “Boston CPI”), provided that such amount shall not increase by more than 2.5% per year. See “Proposition 2½” below. In each case, individual Assessments are determined according to a weighted population formula.

See below for a table of total Assessments since Fiscal Year 2006, the amount budgeted for the current fiscal year, and the amount projected for Fiscal Year 2023. Cities and towns that are also assessed for regional transit authority expenses received a dollar-for-dollar credit against the Assessments, but this has no effect on the total amount assessed for the Authority because the credited amounts are re-assessed on the “14 cities and towns” and the “51 cities and towns,” but not on the “other served communities,” as each is defined in the Enabling Act. See APPENDIX E – “Information Regarding Assessments and Local Aid” for historical information on the amounts of Local Aid, Authority Assessments and other assessments related to the cities and towns in the Authority’s territory.

For Fiscal Year 2001, Assessments equaled \$144,578,734. Beginning in Fiscal Year 2002 and each Fiscal Year thereafter through Fiscal Year 2006, Assessments were reduced in five equal installments until the Assessments in Fiscal Year 2006 totaled \$136,026,868, which is the basis for the Assessment Floor Amount. Each year thereafter, Assessments are adjusted for inflation, provided that such amount could not increase by more than 2.5% annually. Total Assessments since Fiscal Year 2006 and budgeted Assessments for the current fiscal year and projected Assessments for the next fiscal year are as set forth below:

<u>Fiscal Year</u>	<u>Assessments</u>	<u>% Change</u>
2006	\$136,026,868	-
2007	139,427,540	2.50
2008	142,913,229	2.50
2009	146,486,060	2.50
2010	150,148,212	2.50
2011	150,148,212	0.00
2012	152,100,140	1.30
2013	155,902,648	2.50
2014	157,149,865	0.80
2015	160,135,712	1.90
2016	162,858,019	1.70
2017	163,998,025	0.70
2018	166,457,995	1.50
2019	170,145,000	2.21
2020	174,373,073	2.48
2021	177,860,534	2.00
2022 <sup>+</sup>	179,283,415	0.80
2023 <sup>*</sup>	183,765,509	2.50

<sup>+</sup>Budgeted.

<sup>\*</sup>Projected.

Source: Department of Revenue

Assessments are collected by the Commonwealth pursuant to Section 20 of Chapter 59 of the General Laws, which deals generally with the collection of state assessments and charges. Under Section 20, the State Treasurer must, not later than August 20 of each year, send formal notice by mail to the assessors and treasurers of municipalities that owe assessments and charges payable to the Commonwealth. In addition, Section 20 provides that the State Treasurer is to reduce the amounts payable by the Commonwealth to affected cities and towns under specified Local Aid programs by the amount of such assessments. Under Section 18C of Chapter 58 of the General Laws, cities and towns receive Local Aid monthly.

Pursuant to the Enabling Act, the Dedicated Revenues are credited to the Fund and may be disbursed to the Authority without appropriation and outside the state budget process, provided that the Authority certifies each year that it has provided for payment of the Prior Obligations in such year in its

annual budget. The Authority will provide for payment of Prior Obligations from the Dedicated Sales Tax. See “SECURITY FOR THE SALES TAX BONDS.” The Enabling Act contains a statutory covenant to the effect that the Dedicated Revenues may not be reduced or diverted. See “SECURITY FOR THE SALES TAX BONDS – Statutory Covenant.”

If the amount of assessments and other charges due to the Commonwealth by a particular city or town exceeds the amount of its Local Aid, Section 20 provides that the local treasurer must pay the remaining amount owed to the State Treasurer pursuant to a schedule established by the Secretary of Administration and Finance. If the amount is not paid by the city or town within the time specified, the State Treasurer must notify the local treasurer, who must then pay into the state treasury, in addition to the sum assessed, such further sum as would equal 1% per month during the delinquency from and after the time specified. If the amount remains unpaid after the expiration of ten (10) days after the time specified, the State Treasurer is explicitly authorized by Section 20 to sue the delinquent city or town in the Supreme Judicial Court. Upon notice to the delinquent city or town and after a summary hearing before the court or a single justice of the court, an order may be issued enforcing the payment under such penalties as the court or the single justice may require. The State Treasurer is also authorized by Section 20 to deduct at any time from any moneys which may be due from the Commonwealth to such city or town the whole or any part of any sum so assessed or any other sum or sums which may be due and payable to the Commonwealth from such city or town, together with accrued interest thereon.

Although the Enabling Act contemplates a course of action in the event the amount of assessments and other charges due to the Commonwealth by a particular city or town exceeds the amount payable by the Commonwealth, historically, all of the cities and towns required to pay the Assessments currently receive substantially more Local Aid than they owe in state charges and assessments. See APPENDIX E – “Information Regarding Assessments and Local Aid.”

### **Other Withholding of Local Aid**

*Qualified Bonds.* The Commonwealth’s Qualified Bond Act enables cities and towns, with the approval of a board comprised of the Commonwealth’s Attorney General, State Treasurer, State Auditor, and Director of Accounts, or their designees (the “Qualified Bond Act Board”), to issue “qualified bonds,” i.e., bonds on which the debt service is paid directly by the State Treasurer. The State Treasurer pays the debt service on behalf of the city or town according to the debt service schedule that has been established at the time of issuance by the city or town, and then subsequently deducts the debt service amount from distributable aid payable to the city or town or, if the amount of distributable aid in that year is insufficient for the purpose, from any other amounts payable by the state to the city or town. One of the factors to be taken into account by the Qualified Bond Act Board in giving its approval is the amount of state Local Aid payments likely to be made to the city or town compared to the amount of debt service on the qualified bonds. The Qualified Bond Act contains a statutory covenant for the benefit of the holders of qualified bonds that the Commonwealth will not give a priority to any other deduction from Local Aid which is superior in right or prior in time to debt service payments on qualified bonds. The covenant makes clear, however, that the Commonwealth is not obligated to continue authorizing Local Aid payments. Neither this covenant nor anything else in the Qualified Bond Act constitutes a pledge of the Commonwealth’s credit, and nothing in the act relieves the issuing city or town from its ultimate responsibility for the debt service on the bonds.

## Potential Local Aid Intercepts

Under certain circumstances, the State Treasurer is required to intercept a portion of a city or town's Local Aid in the event of non-payment of an obligation by such city or town.

*Massachusetts Water Resources Authority.* The Massachusetts Water Resources Authority (the "MWRA") provides wholesale water and wastewater services to numerous cities and towns in Massachusetts, for which it assesses charges. The MWRA's enabling act contains a Local Aid intercept provision pursuant to which the MWRA may, in the event of a payment delinquency on the part of a city or town, certify the unpaid amount to the State Treasurer, whereupon the State Treasurer must promptly pay to the MWRA any amount otherwise certified to the State Treasurer for payment to the city or town as Local Aid until such time as any deficiency in the city's or town's payment of charges to the MWRA has been set off by such payments from the State Treasurer. In the case of the cities of Boston and Lynn, Local Aid payments are not subject to setoff under the MWRA's enabling act on account of the payment obligations of the Boston Water and Sewer Commission ("BWSC") and the Lynn Water and Sewer Commission ("LWSC"), respectively. If water and sewer commissions are established in other cities in the future, Local Aid payments to those cities will be subject to the intercept. The MWRA has rarely utilized the intercept mechanism for cities and towns in the Authority's territory.

*Massachusetts Clean Water Trust.* The Massachusetts Clean Water Trust (the "Trust") makes loans to cities, towns and other units of regional and local government (including, for example, the MWRA, LWSC and the South Essex Sewage District ("SESD")) to finance water and wastewater treatment facilities. The Trust's enabling act contains two Local Aid intercept provisions relative to amounts owed on loans, one governing payments owed to a regional unit of government (such as the MWRA, LWSC and SESD) by the underlying cities, towns and other entities receiving service from that regional unit and one governing payments by Trust borrowers directly to the Trust. In the former case, the regional entity may certify to the State Treasurer the amount owing to the regional entity, whereupon the State Treasurer must promptly pay to the regional entity any Local Aid distributions otherwise certified to the State Treasurer as payable to the offending city or town until such time as the deficiency has been offset. In the case of the intercept provisions in the Trust's enabling act, Local Aid payments to cities served by water and sewer commissions, such as BWSC and LWSC, are subject to offset. In the latter case, the Trust itself may certify to the State Treasurer the amount of the delinquency, and the State Treasurer must promptly pay to the Trust any Local Aid distributions otherwise payable to the borrowing entity. If the borrowing entity is a regional entity consisting of more than one local entity, and if the Trust determines that the regional borrower's delinquency is attributable to a particular local entity, the Trust may certify to the State Treasurer to have that local entity's Local Aid payments diverted. If the Trust determines that no local entity is in default to the regional borrower, the State Treasurer must pay the Trust and deduct Local Aid payments otherwise payable to all of the underlying local entities constituting the regional entity pro rata. If a local entity is in default both to a regional entity and to the Trust, intercepted Local Aid distributions are to be paid pro rata by the State Treasurer to the regional entity and to the Trust.

There are no provisions in state law governing the priority among these various Local Aid withholding or intercept provisions. However, Assessments are deducted from state Local Aid payments at the end of each month. In the past, Local Aid payments have been advanced to a distressed city or town. State grants to municipalities under the school building assistance program are payable at various times throughout the year. Local payments to the MWRA are payable in four equal installments due on or before September 15, November 15, March 15 and May 15 of each fiscal year, while payments to the Trust are generally due on July 15 and January 15 of each fiscal year.

## Legal Obligations of Assessed Cities and Towns

Although the mechanism by which a city or town “pays” Assessments is by deduction from Local Aid distributions received from the State Treasurer, payment of Assessments is a legal obligation of each assessed city and town. Under Section 21 and Section 23 of Chapter 59 of the General Laws, local assessors are required to include Assessments in the computation of the local tax rate. Along with debt service, final judgments and certain other specified items, assessments and charges owing to the state must be included in the total amount to be raised by taxation. In practice, the deduction of Local Aid distributions from the amount to be raised by the tax levy masks this requirement, but the obligation of the city or town to raise the money by taxation remains. Proposition 2½, described below under “Proposition 2½,” provides that the total taxes assessed within a city or town may not exceed 2.5% of the full and fair cash value of all real estate and personal property in the city or town (the “maximum levy limit”) and further provides that the maximum levy limit may not increase annually by more than 2.5%, with certain exceptions, as more fully described under “Proposition 2½” herein. Currently, the payment of Assessments is effectively shielded from these provisions by virtue of the deduction of such payments from Local Aid distributions. Because Assessments are imposed directly by statute, they must be paid by the assessed city or town whether or not the local property tax rate for that fiscal year has been approved and whether or not the local budget for that fiscal year has been approved.

As noted above, cities and towns are subject to suit by the State Treasurer for payment of Assessments. Under state law, the payment by a city or town of its Assessment is not limited to a particular fund or revenue source and, as a result, such Assessment constitutes a general obligation of the city or town. The only provisions in state law that provide for priorities among municipal obligations are the provisions for setoffs against state Local Aid payments and the provisions of the Qualified Bond Act. There is no provision in state law for a lien on any portion of the local property tax levy to secure a particular obligation, including assessments, judgments or debt service, in priority to other claims. Cities and towns do have standing authority to borrow to pay final judgments, subject to the general debt limit. Subject to the approval of the state Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless otherwise provided for.

The Commonwealth budget for Fiscal Year 2022 provides Local Aid to the City of Boston of \$431,958,667 and the Assessment for the Authority is \$94,117,010 or 21.8% of the City’s Local Aid. Such Assessment is expected to account for 52.5% of the total Fiscal Year 2022 Assessments for the Authority from all assessed cities and towns. For general information about the City of Boston, specific reference is made to the Official Statement, dated March 30, 2022, relating to the City’s General Obligation Bonds, 2022 Series A, a copy of which is available via the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system at <https://emma.msrb.org> along with the most recent annual report filed with EMMA pursuant to the City’s continuing disclosure undertaking.

Under the Enabling Act, the obligation to pay Assessments is not contingent upon the Authority’s provision of specified transportation services to the affected cities and towns. Some assessed cities and towns receive no direct service from the Authority, as was the case under the Prior Act. The validity of the assessments under the Prior Act was upheld by the Supreme Judicial Court in 1965, when the constitutionality of the Prior Act was challenged, and in 1975, when the assessment provisions were challenged by a town that received no direct service. In those decisions and in others involving similar mechanisms for apportioning costs of various public services on groups of communities, the court has acknowledged that cost allocations must be reasonable and may not be arbitrary, but the court has emphasized that the burden imposed upon a particular city or town need not be proportional to the benefits it receives. The court has recognized that “[b]y any measuring and apportioning schemes that can feasibly be administered, only a rough approximation of equality in the distribution of burdens can be

had” and has indicated that it would defer to the legislature’s chosen methodology unless it is “arbitrary, despotic or a flagrant misuse of legislative power.”

### **Proposition 2½**

In November 1980, voters in the Commonwealth approved a statewide tax limitation initiative petition, commonly known as Proposition 2½, to constrain levels of property taxation and to limit the charges and fees imposed on cities and towns by certain governmental entities, including county governments. Proposition 2½ is not a provision of the state constitution and accordingly is subject to amendment or repeal by the legislature. Proposition 2½, as amended to date, limits the property taxes that may be levied by any city or town in any fiscal year to the lesser of (i) 2.5% of the full and fair cash valuation of the real estate and personal property therein; and (ii) 2.5% over the previous year’s levy limit plus any growth in the tax base from certain new construction and parcel subdivisions. Proposition 2½ also limits any increase in the charges and fees assessed by certain governmental entities, including Assessments, on cities and towns to the sum of (i) 2.5% of the total charges and fees imposed in the preceding fiscal year; and (ii) any increase in charges for services customarily provided locally or services obtained by the city or town at its option. The law contains certain override provisions and, in addition, permits debt service on specific bonds and notes and expenditures for identified capital projects to be excluded from the limits by a majority vote at a general or special election. At the time Proposition 2½ was enacted, many cities and towns had property tax levels in excess of the limit and were therefore required to roll back property taxes with a concurrent loss of revenues. Between Fiscal Year 1981 and Fiscal Year 2020, the aggregate property tax levy grew from \$3.347 billion to \$18.133 billion, a compound annual growth rate of 4.43%.

Proposition 2½ allows a community, through voter approval, to override the levy limit of Proposition 2½, or to assess taxes in excess of its levy limit for the payment of certain capital projects (capital outlay expenditure exclusions) and for the payment of specified debt service costs (debt exclusions).

### **Local Aid**

During the 1980s, the Commonwealth increased Local Aid to mitigate the impact of Proposition 2½ on local programs and services. In Fiscal Years 2006 and 2007, 18% and 19.6%, respectively, of the Commonwealth’s budgeted spending was allocated to direct Local Aid. Since Fiscal Year 2006, Local Aid expenditures are exclusive of the school building assistance program, which was restructured and moved off budget in Fiscal Year 2006. Local Aid payments to cities, towns and regional school districts take the form of both direct and indirect assistance. Direct Local Aid consists of general revenue sharing funds and specific program funds sent directly to local governments and regional school districts as reported on the “cherry sheet,” excluding certain pension funds and non-appropriated funds.

As a result of comprehensive education reform legislation enacted in June 1993, a large portion of general revenue sharing funds is earmarked for public education and is distributed through a formula designed to provide more aid to the Commonwealth’s poorer communities. The legislation requires the Commonwealth to distribute aid to ensure that each district reaches at least a minimum level of spending per public education pupil. Since Fiscal Year 2004, the Commonwealth has fully funded the requirements imposed by this legislation in each of the annual budgets. Beginning in Fiscal Year 2007, the legislature implemented a new model for the program which was adjusted to resolve aspects of the formulas that were perceived to be creating inequalities in the aid distribution. The Commonwealth’s Fiscal Year 2022 budget included state funding for education aid of \$5.503 billion.

Another component of general revenue sharing is a program entitled Unrestricted General Government Aid which is partially determined using the Fiscal Year 2009 Lottery and Additional Assistance programs. There are also several specific programs funded through direct Local Aid, such as highway construction, school building construction, and police education incentives.

Except for delays in distributions of Local Aid in Fiscal Years 1989 and 1990, the Commonwealth has always paid Local Aid on schedule. In response to a budget deficit in Fiscal Year 1989, the Commonwealth delayed for one month the payment of approximately 10% of Local Aid (excluding amounts applicable to debt service on local government bonds). Local Aid payments that the recipient identified as applicable to debt service on its obligations were paid on time. Similarly, as a result of the Commonwealth's Fiscal Year 1990 deficit, the Commonwealth deferred \$1.26 billion of Local Aid due June 30, 1990 which was paid in early Fiscal Year 1991.

During Fiscal Year 2003, the Governor of the Commonwealth reduced Local Aid in response to declining revenues of the Commonwealth, pursuant to authority under Chapter 29, Section 9C of the Massachusetts General Laws. In the Fiscal Year 2004 General Appropriations Act, direct Local Aid was reduced by an additional \$288.7 million, or 5.7%. The Fiscal Year 2004 final supplemental appropriations act signed into law on September 17, 2004 appropriated \$75 million in one-time local aid payments to be distributed in Fiscal Year 2005. In Fiscal Year 2009, the Governor again sought authority to expand his powers under Chapter 29, Section 9C and reduced the combined additional assistance and lottery programs by \$128.0 million and later reduced education aid under Chapter 70 of Massachusetts General Laws by \$412 million which was replaced by federal State Fiscal Stabilization Funds.

The Commonwealth's Fiscal Year 2021 budget provided \$7.092 billion in state-funded local aid to municipalities. The budget included state funding for Chapter 70 education aid of \$5.503 billion to municipalities, an aggregate increase of approximately \$969 million over the Fiscal Year 2021 aggregate amount. The budget also included \$1.168 billion for unrestricted general government aid, increased from the Fiscal Year 2021 level. The Local Aid still exceeds the amount of state charges and assessments owed by each city or town required to pay Assessments. See APPENDIX E – "Information Regarding Assessments and Local Aid."

### **SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX**

The Sales Tax Bond Trust Agreement provides that the Authority may incur particular obligations, including without limitation Senior Sales Tax Bonds, Subordinated Sales Tax Bonds and notes, and provides for the payment of Prior Obligations, funding the Senior Debt Service Reserve Fund and Subordinated Debt Service Reserve Fund and payment of debt service on Assessment Bonds to the extent there are insufficient funds available therefor under the Assessment Bond Trust Agreement.

The Authority also provides for the payment of the Prior Obligations under the Sales Tax Bond Trust Agreement. See "THE AUTHORITY – Indebtedness." In addition, the Authority maintains a commercial paper program under the Sales Tax Bond Trust Agreement in the aggregate principal amount not to exceed \$400 million. Such commercial paper notes are secured by the Sales Tax Bond Trust Agreement and repaid by the proceeds of other notes, Senior Sales Tax Bonds or the Dedicated Sales Tax. As of March 23, 2022, \$40 million in aggregate principal amount of such notes were outstanding.

Obligations under the Sales Tax Bond Trust Agreement are payable from and secured by a pledge of the Sales Tax Pledged Revenues (hereinafter defined) and a lien and charge on all funds and accounts created under the Sales Tax Bond Trust Agreement (other than the Bond Proceeds Funds while it is held and administered by the Authority and the Rebate Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund).

## **Pledge Under the Sales Tax Bond Trust Agreement**

Obligations under the Sales Tax Bond Trust Agreement are special obligations of the Authority payable solely from the items pledged therefor pursuant to the terms of the Sales Tax Bond Trust Agreement. Such pledge includes the following:

- all Sales Tax Pledged Revenues;
- Dedicated Payments allocated to Senior Sales Tax Bonds and interest earnings thereon, if any;
- amounts received from the Trustee under the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement;
- the Deficiency Fund and the Capital Maintenance Fund including the investments, if any, thereof; and
- all Funds and Accounts established under the Sales Tax Bond Trust Agreement (other than the Bond Proceeds Fund, while it is held and administered by the Authority, and the Rebate Fund, provided that only Senior Sales Tax Bonds are secured by the Senior Debt Service Fund and the Senior Debt Service Reserve Fund and only Subordinated Sales Tax Bonds are secured by the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund), including the investment income thereon, if any.

Subject to the foregoing, the above are pledged for the payment, first, of the Senior Sales Tax Bonds, second, of the Subordinated Sales Tax Bonds, third, of the Assessment Bonds, and, fourth, of the Prior Obligations, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the Sales Tax Bond Trust Agreement; provided, however, that in the event the Authority is unable to make the below-described certification, payment of the Prior Obligations shall be made prior to the deposit to the Senior Debt Service Fund established under the Sales Tax Bond Trust Agreement. See “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX – Provision for the Payment of Prior Obligations.”

In accordance with the Sales Tax Bond Trust Agreement, the Dedicated Sales Tax credited to the State and Local Contribution Fund shall be deposited as soon as practicable to the Pledged Revenue Fund under the Sales Tax Bond Trust Agreement; provided, however, that the Authority has certified to the Commonwealth that it has provided for the payment of its Prior Obligations in its annual budget. In connection with its Fiscal Year 2022 budget, the Authority has certified that it has provided for the payment of Prior Obligations during Fiscal Year 2022 in such annual budget.

Under the Sales Tax Bond Trust Agreement, “Pledged Revenues” (referred to herein as the “Sales Tax Pledged Revenues”) means the Dedicated Sales Tax, payments received by the Authority from a Provider of a Hedge Agreement that is not a Qualified Hedge and Sales Tax Alternate Revenues, if any. Notwithstanding the preceding sentence, however, Sales Tax Pledged Revenues shall not include (i) Sales Tax Dedicated Payments; or (ii) amounts received under a Qualified Hedge Agreement which are deposited in the Senior Debt Service Fund and Subordinated Debt Service Fund and have been relied upon in calculating Net Debt Service in accordance with the Sales Tax Bond Trust Agreement. “Dedicated Sales Tax” means the base revenue amount or the dedicated sales tax revenue amount, both as defined in the Enabling Act. See “Dedicated Sales Tax.”

Under the Sales Tax Bond Trust Agreement, “Dedicated Payments” (referred to herein as the “Sales Tax Dedicated Payments”) means any revenues of the Authority which are not Pledged Revenues as defined in the Sales Tax Bond Trust Agreement as initially entered into, which the Authority subsequently pledges as additional security for its payment obligations on Sales Tax Bonds pursuant to a resolution of the Authority and which are specifically designated as Sales Tax Dedicated Payments by the Authority in



accordance with the limitations of the Sales Tax Bond Trust Agreement and, accordingly, are to be deposited in the Senior Debt Service Fund and the Subordinated Debt Service Fund upon receipt. See APPENDIX B – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement.”

### **Flow of Funds**

The Sales Tax Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Trustee:

- (1) the Pledged Revenue Fund;
- (2) the Senior Debt Service Fund;
- (3) the Senior Debt Service Reserve Fund;
- (4) the Subordinated Debt Service Fund;
- (5) the Subordinated Debt Service Reserve Fund; and
- (6) the General Fund.

The Sales Tax Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Authority:

- (1) the Sales Tax Bond Proceeds Fund, which shall include a Capital Account and such other Accounts as the Authority may create by Supplemental Trust Agreement; and
- (2) the Rebate Fund.

The Authority by Supplemental Trust Agreement authorizing a series of Sales Tax Bonds may designate that one or more Accounts in the Sales Tax Bond Proceeds Fund created by such Supplemental Trust Agreement be held and administered by the Trustee and pledged to the Owners of the Sales Tax Bonds.

For a description of the Funds and Accounts under the Sales Tax Bond Trust Agreement, see APPENDIX B – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement.”

For an illustration of the flow of funds under the Sales Tax Bond Trust Agreement, see “SECURITY FOR THE ASSESSMENT BONDS – Flow of Funds.”

### **Provision for the Payment of Prior Obligations**

In the event that in any given Fiscal Year the Authority is otherwise unable to certify that it has provided for payment of the Prior Obligations during the next Fiscal Year without changing the priority of payment of the Prior Obligations coming due during such Fiscal Year, as set forth above, the Authority shall deposit sufficient amounts of Dedicated Sales Tax to pay the Prior Obligations coming due during such Fiscal Year prior to making the required deposit to the Senior Debt Service Fund during the following Fiscal Year; provided, however, that if during such Fiscal Year the Authority shall adopt a supplemental budget which would permit the Authority to be able to make such certification without changing the original priority, the required deposit for the Prior Obligations shall not be required to be paid prior to the deposit required to the Senior Debt Service Fund for the remainder of such Fiscal Year.

## **Dedicated Sales Tax**

Under the Enabling Act, the Dedicated Sales Tax consists of the greater of the base revenue amount or the dedicated sales tax revenue amount. The dedicated sales tax revenue amount is equal to the amount raised by a one percent (1%) statewide sales tax (excluding meals tax) plus, commencing with Fiscal Year 2015, the amount of \$160,000,000 in each fiscal year. The base revenue amount of \$1,128,475,839 for Fiscal Year 2023, is adjusted by the percentage change in inflation, as measured by the Boston CPI for the prior year, except as follows:

- If the percent change in inflation, as measured by the Boston CPI for the prior year, is greater than or equal to 3% and there was an increase in the gross sales tax revenues, the base revenue amount is increased by 3%.
- If the percent change in inflation, as measured by the Boston CPI for the prior year, is less than 3% but greater than the percent increase in the gross sales tax revenues, the base revenue amount is increased by the same percentage increase as the amount of the gross sales tax revenues percentage increase; provided, however, that such increase shall in no event exceed 3%.
- If there was no increase in the gross sales tax revenue or the inflation index, the base revenue amount is held constant.

The gross sales tax revenues are equal to the gross sales tax revenue received, in the preceding 12 months, pursuant to chapters 64H and 64I of the Massachusetts General Laws, excluding any portion of such taxes imposed on meals as defined in paragraph (h) of section 6 of said chapter 64H.

*[Remainder of page intentionally left blank]*

The following table sets forth, for Fiscal Year 2001 through Fiscal Year 2023, the base revenue amount as certified by the Comptroller in accordance with the Enabling Act:

<u>Fiscal Year</u>	<u>Base Revenue Amount</u>	<u>Percent Increase</u>
2001	\$645,000,000	—
2002	664,350,000	3.00%
2003	684,280,500	3.00
2004	684,280,500	0.00
2005	704,808,915	3.00
2006	712,585,739	1.10
2007	733,963,311	3.00
2008	755,982,210	3.00
2009	767,056,684	1.46
2010	767,056,684	0.00
2011	767,056,684	0.00
2012	779,091,803	1.57
2013	786,866,936	1.00
2014	799,295,175	1.58
2015	970,637,174*	21.42*
2016	986,274,139	1.61
2017	992,191,784	0.60
2018	1,006,806,769	1.47
2019	1,032,067,551	2.51
2020	1,063,029,578	3.00
2021	1,083,333,443	1.91
2022	1,095,607,611	1.13
2023	1,128,475,839	3.00

---

\*The Enabling Act was amended on October 31, 2014 to increase the annual Base Revenue Amount and the Dedicated Sales Tax Revenue Amount by \$160,000,000, intended to replace the \$160,000,000 annual appropriation the MBTA received from Fiscal Years 2010 to 2014. The percentage increase of the Base Revenue Amount for Fiscal Year 2015 over Fiscal Year 2014, excluding such increase, was 1.42%.

Pursuant to the Enabling Act, the dedicated sales tax revenue amount is credited to the State and Local Contribution Fund. For the purpose of determining the dedicated sales tax revenue amount to be credited to the State and Local Contribution Fund, the Comptroller shall on March 1 of each year certify the base revenue amount for the following fiscal year. On March 15 of each year, the Comptroller shall, after consultation with and based on projections of the department of revenue, certify whether the dedicated sales tax revenue amount is projected to exceed the base revenue amount for the upcoming fiscal year. If the Comptroller certifies that the projected dedicated sales tax revenue amount will be less than the base revenue amount, then the Comptroller shall for the following fiscal year credit to the Fund amounts sufficient to meet the base revenue amount. If the Comptroller certifies that the projected dedicated sales tax revenue amount will exceed the base revenue amount, then the Comptroller shall for the following fiscal year credit to the Fund the dedicated sales tax revenue amount. On November 15 of each year, the Comptroller shall certify whether the dedicated sales tax revenue amount as of that date is projected to exceed the base revenue amount for the current fiscal year. If the Comptroller certifies that the dedicated sales tax revenue amount is projected to be less than the base revenue amount, then the Comptroller shall credit to the Fund amounts sufficient to meet the base revenue amount for that fiscal year. If the Comptroller certifies that the dedicated sales tax revenue amount is greater than the base revenue amount, then the Comptroller shall credit to the Fund the dedicated sales tax revenue amount. On

April 1 of each year the Comptroller shall repeat the certification process required on November 15 and shall credit the appropriate amount to the Fund. In accordance with the Memorandum of Understanding dated as of July 1, 2000 by and among the MBTA, the Commonwealth's Office of the Comptroller, Office of the Treasurer and Receiver-General, Department of Revenue and Executive Office for Administration and Finance (the "MOU"), the Dedicated Sales Tax generally is deposited not later than the last business day of each month, on account of the prior month.

In accordance with the foregoing procedure, on November 12, 2021, the Comptroller certified, with respect to Fiscal Year 2022, that the dedicated sales tax revenue amount is projected to be \$1,235,888,000, which exceeds the base revenue amount of \$1,095,607,611. The difference, when received, is credited to the State and Local Contribution Fund. On March 3, 2022, the Comptroller certified with respect to Fiscal Year 2023, that the base revenue amount is \$1,128,475,839, which is less than the projected dedicated sales tax revenue amount of \$1,325,120,000.

The sales tax applies generally to retail sales of tangible personal property, meals, and telecommunications services, subject to certain statutory exemptions, including food that is not served as part of a meal and most clothing. A complementary use tax, also part of the "sales tax" described herein, is imposed on storage, use or consumption of the same property or services, subject generally to the same exemptions, to the extent such property or services have not already been subject to sales tax in Massachusetts or another state. The Dedicated Sales Tax excludes any portion of the sales tax imposed on the sales of meals.

The following table sets forth, for Fiscal Year 1978 through Fiscal Year 2021, the Commonwealth's total sales tax receipts, less sales tax on meals and less sales tax receipts from the Convention Center Financing District in Boston, as described below. The sales tax figures in the table are sales tax receipts after reimbursements and abatements. The "regular" sales tax was first imposed in April 1966 at a rate of 3%. In July 1976, this rate was increased to 5%. Sales of tangible personal property including motor vehicles were first taxed in Massachusetts under Stat. 1966 c. 14, § 1 at a rate of 3%. Originally a temporary tax, this tax was made permanent by Stat. 1967, c. 757, which enacted the first 31 sections of the sales tax. The new tax was also at 3%, and was effective January 1, 1968. The rate of tax was changed to 5% by Stat. 1975, c. 684, § 59, effective November 12, 1975. In 1991, a new law added services to the regular sales tax base, but prior to receipt of any sales tax on services, the law was partially repealed. Only telecommunications services remain in the regular sales tax base. In January 1998, the payment schedule for businesses with tax liabilities greater than \$25,000 per year was changed to simplify the time period on which such payments are based. While the timing change did not affect the amount of tax owed by the affected businesses, the new payment schedule caused a one-time delay in receipt of tax revenues realized in Fiscal Year 1998. Commencing July 1, 1997, total sales tax receipts exclude all receipts from the excise imposed upon sales at retail by vendors located in the Convention Center Financing District in Boston and vendors located in hotels in Cambridge and in Boston, outside of the Convention Center Financing District, in each case only for vendors that opened after July 1, 1997. The total amount of such excluded receipts for Fiscal Years 2015 through 2021, were \$5,605,840, \$6,778,846, \$3,516,765, \$6,006,276, \$9,724,164, \$8,123,028 and \$6,356,938, respectively.

### Historical Commonwealth Sales Tax Receipts\*

Fiscal Year	MBTA Sales			Fiscal Year	MBTA Sales		
	Sales Tax Receipts	Tax Receipts**	% Increase/ (Decrease)		Sales Tax Receipts	Tax Receipts**	% Increase/ (Decrease)
1978	\$520,701,180	\$104,140,236	17.8	2000	\$3,107,166,500	\$621,433,300	9.7
1979	577,811,734	115,562,347	11.0	2001	3,272,953,839	654,590,768	5.3
1980	608,428,226	121,685,645	5.3	2002	3,193,946,638	638,789,328	(2.4)
1981	704,188,866	140,837,773	15.7	2003	3,196,008,691	639,201,738	0.1
1982	753,147,231	150,629,446	7.0	2004	3,211,141,238	642,228,248	0.5
1983	865,291,925	173,058,385	14.9	2005	3,330,838,208	666,167,642	3.7
1984	1,041,797,387	208,359,477	20.4	2006	3,420,208,843	684,041,769	2.7
1985	1,209,522,818	241,904,564	16.1	2007	3,458,884,551	691,776,910	1.1
1986	1,452,092,246	290,418,449	20.1	2008	3,453,776,709	690,755,342	(0.1)
1987	1,600,004,046	320,000,809	10.2	2009	3,239,083,506	647,816,701	(6.2)
1988	1,733,312,576	346,662,515	8.3	2010	3,852,057,082	637,083,944	(1.7)
1989	1,787,062,915	357,412,583	3.1	2011	4,091,484,725	654,642,631	2.8
1990	1,660,519,469	332,103,894	(7.1)	2012	4,190,557,744	670,494,063	2.4
1991	1,617,727,175	323,545,435	(2.6)	2013	4,262,749,824	682,046,396	1.7
1992	1,682,319,431	336,463,886	4.0	2014	4,546,991,713	727,518,674	6.7
1993	1,820,971,551	364,194,310	8.2	2015***	4,775,641,191	924,102,590	27.0
1994	1,978,773,555	395,754,711	8.7	2016	4,990,760,343	958,521,655	3.7
1995	2,136,971,274	427,394,255	8.0	2017	5,104,756,434	976,761,029	1.9
1996	2,252,083,428	450,416,686	5.4	2018	5,299,436,522	1,007,909,844	3.2
1997	2,494,701,986	498,940,397	10.8	2019	5,582,310,329	1,053,169,653	4.5
1998	2,572,447,261	514,489,452	3.1	2020	5,733,174,150	1,077,307,864	2.3
1999	2,833,016,602	566,603,320	10.1	2021	6,883,820,244	1,261,411,239	17.1

*Source: Massachusetts Department of Revenue*

\* Total sales tax receipts after reimbursements and abatements, less sales tax on meals and less sales tax from the Convention Center Financing District of Boston. Effective August 1, 2009, the rate of such tax was increased to 6.25% from 5.00%.

\*\* For Fiscal Years 1978 –2000, equal to 20% of a 5% sales tax, which approximates the dedicated sales tax revenue amount for each such fiscal year. The August 1, 2009 increase in the sales tax rate did not increase the dedicated sales tax revenue amount prior to Fiscal Year 2015.

\*\*\* Amendments to the Enabling Act on October 31, 2014 increased the dedicated sales tax receipts by \$160 million. The percentage increase in MBTA Sales Tax Receipts for Fiscal Year 2015 over Fiscal Year 2014, excluding such increase is 5.0%.

Effective August 1, 2009, the sales tax rate was increased from 5% to 6.25%. Effective August 1, 2009, the exemption of taxes on alcohol sales was eliminated; this legislation, however, was repealed by the voters at the November 2010 statewide election, effective January 1, 2011. Beginning in Fiscal Year 2011, a portion of the Commonwealth's receipts from the sales tax (other than taxes required to be credited to the Convention Center Fund) has been dedicated to the Massachusetts Transportation Trust Fund. From Fiscal Year 2011 through Fiscal Year 2013, the amount dedicated was the amount raised by a portion of the sales tax equal to a 0.385% sales tax, with a floor of \$275 million per fiscal year. Pursuant to Section 2ZZZ of Chapter 29 of the Massachusetts General Laws such sales tax receipts are dedicated to the Commonwealth Transportation Fund rather than directly to the Massachusetts Transportation Trust Fund. During Fiscal Year 2013, approximately \$318 million in sales tax revenue was transferred to the Commonwealth Transportation Fund. Chapter 46 of the Acts of 2013 eliminated the 0.385% allocation of sales and use taxes to the Commonwealth Transportation Fund and provided instead that beginning in Fiscal Year 2014, all sales taxes relating to sales of motor vehicles (net of amounts dedicated to the MBTA and the Massachusetts School Building Authority) are credited to the Commonwealth Transportation Fund. Effective April 2021, collections of certain sales tax were required to be remitted to the Commonwealth in the same month incurred, which resulted in the accelerated receipt of certain sales tax collections.

From time to time the Commonwealth has implemented, through legislation, limited sales tax holidays that, by reducing overall sales tax receipts, also reduce the dedicated sales tax revenue amount, but not the base revenue amount, available to the Authority. Chapter 121 of the Acts of 2018, effective July 1, 2019, requires an annual sales tax 'holiday' weekend each August. With certain exceptions (meals, vehicles, motorboats, telecommunication services, gas, steam, electricity, tobacco products, marijuana and marijuana products, alcoholic beverages), the purchases during the tax holiday of items up to \$2,500 for individual use are exempt from sales tax. To date, no such sales tax holiday has had a material impact on the dedicated sales tax revenue amount in any fiscal year. The Authority cannot predict the impact such holidays may have on the dedicated sales tax revenue amount in the future.

In June 2018, the Supreme Court of the United States issued a ruling in *South Dakota v. Wayfair* that effectively removes earlier constraints on states seeking to require out-of-state sellers to collect and remit sales tax. However, because the Commonwealth had previously established collect-and-remittance agreements covering the majority of sales by out-of-state sellers to Massachusetts residents, and has proactively asserted the obligation to collect sales taxes from out-of-state sellers with economic scale in Massachusetts, the incremental impact of *South Dakota v. Wayfair* on Commonwealth tax revenues has been limited. Provisions included in the Commonwealth's Fiscal Year 2020 budget required online marketplace facilitators to collect and remit Massachusetts sales and use tax on behalf of vendors who sell their goods on the marketplace, provided the marketplace's sales within the Commonwealth exceed the threshold of \$100,000. These provisions also subject remote sellers to the registration, collection and remittance requirements of the sales and use tax if the remote seller's sales within the Commonwealth exceed the threshold of \$100,000.

### **Indebtedness Under the Sales Tax Bond Trust Agreement**

For a description of the conditions to the Authority issuing indebtedness under the Sales Tax Bond Trust Agreement, see APPENDIX B – "Summary of Certain Provisions of the Sales Tax Bond Trust Agreement."

## **Statutory Covenant**

The Enabling Act contains a statutory covenant that provides that the rate of the statewide sales tax will not be reduced below the Dedicated Sales Tax. See “SECURITY FOR THE ASSESSMENT BONDS – Statutory Covenant.”

In the opinion of Bond Counsel, this covenant is a valid contract between the Commonwealth and the holders of Assessment Bonds and Sales Tax Bonds which is binding on future legislatures. Furthermore, enactment of a law which would reduce the Pledged Revenues below that which is necessary to satisfy the obligations of the Authority to the holders of the Assessment Bonds and Sales Tax Bonds issued prior to enactment of such law, including the holders of the Bonds, would result in an unconstitutional impairment of contract rights or taking of property rights unless such holders are provided reasonable and adequate compensation.

The covenant with respect to the Dedicated Sales Tax relates only to the rate of the sales tax and the Base Revenue Floor Amount, and not to the types of property and services that are taxed.

*[Remainder of page intentionally left blank]*

## Amounts Available For Assessment Bonds Under Sales Tax Bond Trust Agreement

The following table shows amounts available under the Sales Tax Bond Trust Agreement following the deposit of debt service on outstanding, as of March 25, 2022, Sales Tax Bonds under the Sales Tax Bond Trust Agreement (“Net Assessments”), using two different scenarios, one based on the projected Dedicated Sales Tax for Fiscal Year 2023 (and assuming no growth in future years) and the other based on the base revenue amount for Fiscal Year 2023 subject to statutory non-impairment, as described under “Statutory Covenant” below. The table excludes debt service on any additional Sales Tax Bonds that may be issued in the future, as well as the actual Dedicated Sales Tax in the future.

Fiscal Year Ending June 30	(A)	(B)		(C)	
	Debt Service on Outstanding Sales Tax Bonds <sup>(1)</sup>	FY2023 Dedicated Sales Tax <sup>(2)</sup>	(B) less (A)	Base Revenue Amount <sup>(3)</sup>	(C) less (A)
2023	\$432,825,522	\$1,325,120,000	\$ 892,294,478	\$1,128,475,839	\$695,650,317
2024	404,294,846	1,325,120,000	920,825,154	1,128,475,839	724,180,993
2025	379,580,854	1,325,120,000	945,539,146	1,128,475,839	748,894,985
2026	359,094,458	1,325,120,000	966,025,542	1,128,475,839	769,381,381
2027	325,019,427	1,325,120,000	1,000,100,573	1,128,475,839	803,456,412
2028	339,813,126	1,325,120,000	985,306,874	1,128,475,839	788,662,713
2029	356,398,364	1,325,120,000	968,721,636	1,128,475,839	772,077,475
2030	293,123,360	1,325,120,000	1,031,996,640	1,128,475,839	835,352,479
2031	297,832,826	1,325,120,000	1,027,287,174	1,128,475,839	830,643,013
2032	297,713,065	1,325,120,000	1,027,406,935	1,128,475,839	830,762,774
2033	214,459,052	1,325,120,000	1,110,660,948	1,128,475,839	914,016,787
2034	245,343,140	1,325,120,000	1,079,776,860	1,128,475,839	883,132,699
2035	186,769,446	1,325,120,000	1,138,350,554	1,128,475,839	941,706,393
2036	148,802,731	1,325,120,000	1,176,317,269	1,128,475,839	979,673,108
2037	148,552,164	1,325,120,000	1,176,567,836	1,128,475,839	979,923,675
2038	148,286,568	1,325,120,000	1,176,833,432	1,128,475,839	980,189,271
2039	148,025,030	1,325,120,000	1,177,094,970	1,128,475,839	980,450,809
2040	132,633,558	1,325,120,000	1,192,486,442	1,128,475,839	995,842,281
2041	112,139,450	1,325,120,000	1,212,980,550	1,128,475,839	1,016,336,389
2042	87,568,100	1,325,120,000	1,237,551,900	1,128,475,839	1,040,907,739
2043	87,587,300	1,325,120,000	1,237,532,700	1,128,475,839	1,040,888,539
2044	87,595,200	1,325,120,000	1,237,524,800	1,128,475,839	1,040,880,639
2045	69,575,600	1,325,120,000	1,255,544,400	1,128,475,839	1,058,900,239
2046	57,033,575	1,325,120,000	1,268,086,425	1,128,475,839	1,071,442,264
2047	39,545,450	1,325,120,000	1,285,574,550	1,128,475,839	1,088,930,389
2048	39,549,700	1,325,120,000	1,285,570,300	1,128,475,839	1,088,926,139
2049	39,550,000	1,325,120,000	1,285,570,000	1,128,475,839	1,088,925,839
2050	39,553,700	1,325,120,000	1,285,566,300	1,128,475,839	1,088,922,139
2051	23,727,600	1,325,120,000	1,301,392,400	1,128,475,839	1,104,748,239

- (1) Debt service prepared on a budget basis (July 1 principal payment included in the prior fiscal year amount). Assumes the 2018 Series A-1 and A-2 Bonds, in the principal amount of \$117,715,000, bear interest at 3.00%. Excludes debt service associated with commercial paper outstanding.
- (2) Amount certified on March 3, 2022, which represents the projected dedicated sales tax revenue amount, which exceeds the base revenue amount in Fiscal Year 2023. See “SALES TAX BOND TRUST AGREEMENT AND DEDICATED SALES TAX – Dedicated Sales Tax.”
- (3) Amount certified on March 3, 2022. Protected by non-impairment provision of the Enabling Act. See “Statutory Covenant.”



## **CERTAIN INVESTMENT CONSIDERATIONS**

*Investment in the Bonds involves certain risks. The following is a discussion of certain risk factors which should be considered in evaluating the investment suitability of the Bonds. This discussion does not purport to be either comprehensive or definitive. There may be other risks associated with an investment in the Bonds in addition to those set forth herein.*

### **Impacts of COVID-19**

The outbreak of the COVID-19 global pandemic and the states of emergency, travel bans or restrictions, closure of non-essential businesses, stay at home advisories or mandates, other social distancing measures and other changes in how people live and work have impacted the MBTA.

The Governor of Massachusetts declared a state of emergency in the Commonwealth on March 10, 2020 and instituted a number of emergency measures to address the pandemic. Such state of emergency was lifted in June 2021. In the interim, the Commonwealth phased in re-openings and, commencing in December 2020, instituted vaccination efforts across the state.

The effect of COVID-19 sharply reduced utilization of MBTA services starting in March 2020. The decline in ridership has had significant implications for the MBTA's own source revenues (fares, parking, advertising, etc.) with reductions of fare revenue of almost 80% over pre-COVID levels. Not only has the MBTA suffered lost revenue, it also has incurred greater expenses to cover the costs of protecting employees and customers. As a result of the unexpected variances, the budget deficit in Fiscal Year 2021 would have exceeded \$600 million without the use of emergency federal assistance described below. For the Fiscal Year 2022 budget, excluding one-time federal relief revenue, the deficit would be over \$500 million. In response to the resulting fiscal challenges, the MBTA implemented a number of cost savings initiatives.

The Authority has received substantial federal stimulus funding related to the pandemic, including approximately \$827 million from the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act, approximately \$301 million from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, and approximately \$860 million from the American Rescue Plan Act of 2021. Such amounts were used, or are expected to be used, in Fiscal Years 2020 through 2024 to pay operating costs to maintain service; to make up for lost revenue due to the COVID-19 pandemic; to purchase personal protective equipment; and to pay administrative leave for operations personnel due to reductions in service and to fund payroll costs for staff staying home on administrative leave.

While the amount of revenues generated from MBTA service has been adversely impacted by the pandemic, the MBTA has continued to receive Assessments and the Dedicated Sales Tax, as required by the Act.

### **Secondary Market and Prices**

The underwriters for the Bonds will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market therefor, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds, and no assurance can be given that initial offering prices for the Bonds will continue for any period of time. Therefore, any prospective purchaser of the Bonds should undertake an independent investigation through its own advisors regarding the desirability and practicality of an investment in the Bonds. Any

prospective purchaser should be aware of the long-term nature of an investment in the Bonds and should assume that it will have to bear the economic risk of its investment for an extended period of time.

### **Ratings**

As of the date of initial issuance and delivery of the Bonds, the Bonds are rated “AAA” by S&P Global Ratings (“S&P”) and “AAA” by Fitch Ratings, Inc. (“Fitch”). See “RATINGS” herein. There is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by either S&P or Fitch if, in its judgment, circumstances so warrant. The Authority undertakes no responsibility to oppose any such revision or withdrawal.

### **Tax Exempt Status of the Bonds**

Any exclusion from gross income for federal income tax purposes of the interest on the Bonds is dependent upon, among other things, the accuracy of the certifications of the Authority contained in the certificate as to tax matters to be executed on the date of issuance of the Bonds (the “Tax Certificate”) and compliance with certain restrictions regarding investment of the proceeds of the Bonds, use of the assets financed or refinanced with the proceeds of the Bonds and continuing compliance by the Authority with the Tax Certificate. Failure of the Authority to comply with the terms and conditions of the Assessment Bond Trust Agreement, the Tax Certificate and other documents or any inaccuracy of the certifications of the Authority in the Tax Certificate may result in the loss of the tax-exempt status of the interest on Bonds retroactive to the date of issuance of the Bonds. See “TAX MATTERS” herein.

There is no obligation to redeem the Bonds if interest on the Bonds becomes includable in gross income for federal income tax purposes. If interest on the Bonds should become included in gross income for federal income tax purposes, the market for and value of the Bonds would be adversely affected.

Moreover, there can be no assurance that the present advantageous provisions of the hereinafter defined Code, or the rules and regulations thereunder, will not be retroactively adversely amended or modified, thereby resulting in the inclusion in gross income of the interest on the Bonds for federal income tax purposes or otherwise eliminating or reducing the benefits of the present advantageous tax treatment of the Bonds. While no such legislation has been adopted, there can be no assurance that Congress would not adopt legislation applicable to the Bonds or the Authority and that the Authority would be able to comply with any such future legislation in a manner necessary to maintain the tax-exempt status of the Bonds.

### **No Debt Service Reserve Fund**

In connection with the issuance of the Bonds and the defeasance of the Defeased Bonds, the Authority is amending the Assessment Bond Trust Agreement to eliminate the Debt Service Reserve Fund. Amounts deposited will be released upon the completion of the financing plan described under “PLAN OF FINANCING.”

## **LEGAL INVESTMENTS AND SECURITY FOR DEPOSITS**

Under the Enabling Act, the Bonds are made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, savings banks, cooperative banks, investment companies, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or notes or other obligations of a similar nature may properly and legally invest funds, including capital, deposits or other funds in their control or belonging to them. The Bonds are thereby made

securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth now or may hereafter be authorized by law.

## **LITIGATION**

The Authority is engaged in numerous matters of routine litigation. These matters include tort and other claims where the Authority's liability is in whole or in part self-insured. These matters are not reasonably expected to require amounts to be paid by the Authority which in the aggregate would be material to the financial information contained herein. Other cases and claims include disputes with contractors and others, arising out of the Authority's capital investment program. Any amounts reasonably expected to be paid by the Authority would be within the scope of grant funds and other moneys available to the Authority for the respective projects.

## **LEGISLATION**

Legislation relating to the Authority is periodically filed in the state legislature. Such bills are subject to the legislative process and no prediction can be made as to whether or not such bills will be enacted into law.

Under the Massachusetts constitution, legislation also may be enacted in the Commonwealth pursuant to a voter initiative process. Initiative petitions which have been certified by the Attorney General of the Commonwealth as to proper form and as to which the requisite number of voter signatures has been collected are submitted to the Legislature for consideration. If the legislature fails to enact the measure into law as submitted, the petitioner may place the initiative on the ballot for the next statewide general election by collecting additional voter signatures. If approved by a majority of the voters at the general election, the petition becomes law 30 days after the date of the election. Initiative petitions so approved by the voters do not constitute constitutional amendments and may be subsequently amended or repealed by the legislature. The Authority cannot predict whether initial petitions relating to or affecting the Authority will be commenced in the future and, if commenced, whether any will become law.

Any such legislation enacted or any law effected by the initiative petition process subsequent to the issuance of the Bonds would, in the opinion of Bond Counsel, with respect to the Bonds be subject to the provisions of the federal and Commonwealth constitutions prohibiting any law impairing the obligation of contracts and therefore could not unconstitutionally impair the contract of the owners of the Bonds.

## **TAX MATTERS**

### **Federal Tax Matters**

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., bond counsel to the Authority ("Bond Counsel") is of the opinion that, under existing law, interest on the Bonds will not be included in the gross income of holders of such Bonds for federal income tax purposes. Bond Counsel's opinion is expressly conditioned upon continued compliance by the Authority with certain requirements imposed by the Internal Revenue Code of 1986, as amended (the "Code"), which requirements must be satisfied subsequent to the date of issuance of the Bonds in order to ensure that the interest on the Bonds is and continues to be excludable from the gross income of the holders of the Bonds for federal income tax purposes. In particular, and without limitation, these requirements include restrictions on the use, expenditure and investment of Bonds proceeds and the payment of rebate, or penalties in lieu of rebate, to the United States, subject to certain exceptions. The Authority has provided certifications and covenants as to its continued compliance with such requirements. Failure to so comply could cause the interest on

the Bonds to be included in the gross income of the holders thereof retroactive to the date of issuance of the Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Bonds will not constitute a preference item under Section 57(a)(5) of the Code for purposes of computation of the alternative minimum tax imposed on certain individuals. Bond Counsel has not opined as to any other matters of federal tax law relating to the Bonds. However, prospective purchasers should be aware that certain collateral consequences may result under federal tax law for certain holders of the Bonds, including but not limited to the requirement that recipients of certain Social Security and railroad retirement benefits take into account receipts or accruals of interest on the Bonds in determining gross income. The nature and extent of these consequences depends on the particular tax status of the holder and the holder's other items of income or deduction. Holders should consult their own tax advisors with respect to such matters.

Interest paid on tax exempt obligations such as the Bonds is generally required to be reported by payors to the Internal Revenue Service ("IRS") and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, as ordinarily would be provided in connection with establishment of a brokerage account, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds from gross income for federal tax purposes.

Interest on the Bonds includes original issue discount, which with respect to a Bond is equal to the excess, if any, of the stated redemption price at maturity of such Bonds over the initial offering price thereof to the public, excluding underwriters and other intermediaries, at which price a substantial amount of all such Bonds with the same maturity was sold. Original issue discount accrues based on a constant yield method over the term of a Bond. Holders should consult their own tax advisors with respect to the computations of original issue discount during the period in which any such Bond is held.

An amount equal to the excess, if any, of the purchase price of a Bond over the principal amount payable at maturity constitutes amortizable bond premium. The required amortization of such premium during the term of a Bond will result in reduction of the holder's tax basis in such Bond. Such amortization also will result in reduction of the amount of the stated interest on the Bond taken into account as interest for tax purposes. Holders of Bonds purchased at a premium should consult their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to the state or local tax consequences of owning such Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, may affect the tax exempt status of interest on the Bonds or the tax consequences of ownership of the Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce or eliminate the benefit of the exclusion of the interest on the Bonds from gross income for federal income tax purposes or any state tax benefit. Tax reform proposals and deficit reduction measures, including but not limited to proposals to reduce the benefit of the interest exclusion from income for certain holders of tax exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation, and other proposals to limit federal tax expenditures, have been and are expected to be under ongoing consideration by the United States Congress. These proposed changes could affect the market value or marketability of the Bonds, and, if enacted into law, could also affect the tax treatment of all or a portion of the interest on the Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

## **State Tax Matters**

In the opinion of Bond Counsel, under existing law, interest on the Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Bonds. Prospective purchasers should be aware, however, that the Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the Bonds and the interest thereon are included in the measure of Massachusetts corporate excise and franchise taxes. Bond Counsel has not opined as to the taxability of the Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of any state other than Massachusetts.

## **RATINGS**

The Bonds have been assigned long-term ratings and outlooks of “AAA” (stable outlook) by S&P and “AAA” (stable outlook) by Fitch. A rating on the Bonds has not be requested from any other rating agency.

Such ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Bonds.

## **CERTAIN LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel. The approving opinion of Bond Counsel, in substantially the form attached hereto as Appendix C, will be delivered with the Bonds. Certain legal matters will be passed upon for the Underwriters by Nutter, McClennen & Fish, LLP, Boston, Massachusetts.

## **CONTINUING DISCLOSURE**

In order to assist the original purchasers in complying with Rule 15c2-12(b)(5), the Authority will enter into a Continuing Disclosure Agreement with U.S. Bank Trust Company, National Association, as dissemination agent, for the benefit of owners of the Bonds setting forth the undertaking of the Authority regarding continuing disclosure with respect to the Bonds. Descriptions of the proposed Continuing Disclosure Undertakings of the Authority and the City of Boston are described in Appendix D.

## **UNDERWRITING**

The Underwriters, for whom Wells Fargo Bank, National Association, is serving as representative (the “Representative”), have agreed, subject to certain conditions set forth in a bond purchase agreement to be entered into by the Authority and the Representative, to purchase from the Authority the Bonds at a discount from the initial offering prices equal to \$933,949.54. The Underwriters may offer and sell the Bonds to certain dealers and others (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices (or yields higher than the offering yields) stated on the inside cover page hereof. The principal offering prices (or yields) set forth on the inside cover page hereof may be changed from time to time after the initial offering by the Underwriters. The obligation of the

Underwriters to accept delivery of the Bonds is subject to the terms and conditions set forth in the bond purchase agreement, the approval of legal matters by counsel and other conditions.

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (some of which may not have been designated by the Authority as Underwriters) for the distribution of the Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as “CIB,” “Wells Fargo Securities” or “WFS”) is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association (“WFBNA”), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

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

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

UBS Financial Services Inc. (“UBS”), one of the Underwriters of the Bonds, has entered into a distribution and service agreement with its affiliate UBS Securities LLC (“UBS Securities”) for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to such agreement, UBS will share a portion of its underwriting compensation with respect to the Bonds with UBS Securities. UBS and UBS Securities are each subsidiaries of UBS Group AG.

On February 28, 2022, First Horizon Corporation and TD Bank Group announced that First Horizon Corporation entered into a definitive agreement to be acquired by TD Bank Group. FHN Financial Capital Markets, one of the Underwriters of the Bonds, is the municipal underwriting business line of FHN Financial, the fixed income division of First Horizon Bank, whose parent company is First Horizon Corporation. The acquisition is expected to be completed in late 2022 or early 2023 pending

regulatory approvals. This transaction should not have any material effect on this underwriting transaction.

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

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

#### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The accuracy of (i) the mathematical computations of the adequacy of the maturing principal of and interest earned on the government obligations to be held in escrow to pay principal, interest not otherwise paid and redemption premiums, if any, on the Refunded Bonds and the Defeased Bonds and (ii) certain mathematical computations supporting the conclusion that the Bonds are not “arbitrage bonds” under the Code, will be verified by Samuel Klein and Company, Certified Public Accountants.

#### **FINANCIAL ADVISOR**

Public Resources Advisory Group, Inc. (“PRAG”) serves as financial advisor to the Authority for debt management and other financial matters. PRAG has acted as independent financial advisor to the Authority with respect to the Bonds. PRAG is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. PRAG is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing securities.

#### **MISCELLANEOUS**

The summaries of the provisions of the Enabling Act, the Bonds, the Assessment Bond Trust Agreement and the Sales Tax Bond Trust Agreement contained herein do not purport to be complete and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the Enabling Act, the form of the Bonds, the Assessment Bond Trust Agreement and the Sales Tax Bond Trust Agreement are available for inspection at the offices of the Authority and the Trustee.

Information relating to DTC and the book-entry system described under the heading “BOOK-ENTRY ONLY SYSTEM” has been furnished by DTC. Neither the Authority nor the Underwriters make any representations or warranties whatsoever with respect to such information.

U.S. Bank Trust Company, National Association by acceptance of its duties as Trustee under the Assessment Bond Trust Agreement has not reviewed this Official Statement and makes no representations as to the information contained herein, including but not limited to, any representations as to the use of the proceeds of the Bonds or related activities.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

By: /s/ Patrick F. Landers, III

Treasurer

April 5, 2022



**SUMMARY OF CERTAIN PROVISIONS OF THE  
ASSESSMENT BOND TRUST AGREEMENT**

*The following is a summary of certain provisions of the Assessment Bond Trust Agreement, as it will be amended and restated upon delivery of the Bonds, including certain terms used in the Assessment Bond Trust Agreement not used elsewhere in this Official Statement. This summary does not purport to be complete and reference is made to the Assessment Bond Trust Agreement for full and complete statements of its terms and provisions.*

**Definitions**

The following are definitions in summary form of certain terms contained in the Assessment Bond Trust Agreement and used in this Official Statement:

*Account or Accounts* shall mean each account or all of the accounts established by or pursuant to the Assessment Bond Trust Agreement.

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

*Act* shall mean Chapter 161A of the Massachusetts General Laws, as from time to time in effect.

*Additional Obligations* shall have the meaning provided in Section 206 of the Assessment Bond Trust Agreement.

*Additional Obligations Debt Service* shall mean the aggregate debt service on all outstanding Additional Obligations calculated pursuant to the definition of "Debt Service" as if such Additional Obligations were Assessment Bonds.

*Alternate Revenues* shall mean any revenues of the Authority (other than Assessments) legally available and pledged by resolution of the Authority for its obligations under the Assessment Bond Trust Agreement and deposited to the Pledged Revenue Fund, provided that (a) if such Alternate Revenues are to be received from the United States of America, the Commonwealth or any political subdivision thereof, they must automatically recur without appropriation, approval or other similar action for so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds or Additional Obligations or they constitute a general obligation of the Commonwealth or a political subdivision thereof and the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period, and (b) at the time such Alternate Revenues are pledged under the Assessment Bond Trust Agreement, either (i) such Alternate Revenues consist of obligations with a rating by any NRSRO in one of the three highest rating categories, without regard to any refinement or gradation of such rating, or (ii) the Authority has received a written confirmation from any NRSRO then maintaining a published, unenhanced rating on any Outstanding Assessment Bonds at the request of the Authority that such rating will not be adversely affected by the designation of such revenues as Alternate Revenues.

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

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

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

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

*Assessments* shall mean all assessments on cities and towns received by the Authority pursuant to the Act.

*Assumed Debt Service* shall mean, with respect to any Balloon Debt or Excluded Principal Payment for any period and as of any date of calculation, the aggregate amount of Principal Installments and interest which would be payable in such period on a Series of Assessment Bonds (a) in principal amount equal to, as applicable, such Balloon Debt Outstanding or such Excluded Principal Payment, (b) bearing interest at a fixed rate equal to the Assumed Interest Rate and (c) amortizing either (i) on a substantially level annual debt service basis over a term specified by the Authority not to exceed forty (40) years from the calculation date or (ii) on such other term and basis as are set forth in the Supplemental Trust Agreement related to such Balloon Debt or Excluded Principal Payment.

*Assumed Interest Rate* shall mean, as of any date of calculation, the assumed fixed rate of interest equal to (a) the “25-year revenue bond index” most recently published in The Bond Buyer or, if such index is no longer published, such other substantially comparable index as determined by the Authority or (b) the rate set forth as the Assumed Interest Rate in the related Supplemental Trust Agreement.

*Authority* shall mean the Massachusetts Bay Transportation Authority.

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

*Balloon Debt* means a Series of Assessment Bonds, twenty-five percent (25%) or more of the principal of which (calculated as of the date of issuance) becomes due during any period of twelve (12) consecutive months if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption prior to such 12-month period.

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

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

*Bond Anticipation Note* shall mean a note issued pursuant to the Assessment Bond Trust Agreement.

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

*Bondowner or Owner, or Owner of Assessment Bonds*, or any similar terms, shall mean any person who shall be the registered owner of any Outstanding Assessment Bond or Bonds as shown in the registry kept for such purpose as provided in the Assessment Bond Trust Agreement.

For all purposes of the provisions of the Trust Agreement and the applicable Supplemental Trust Agreement, except the giving of any required notice of default to holders of the Insured Bonds, the Bond Insurer shall be deemed to be the sole holder of the Insured Bonds for so long as it has not failed to comply with its payment obligations under the Policy.

*Bond Proceeds Fund* shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

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

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

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

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

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

*Commonwealth* shall mean The Commonwealth of Massachusetts.

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

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

*Debt Service* shall mean, for any Series of Assessment Bonds, for any period and as of any date of calculation, an amount equal to the sum of (i) interest accruing on such Series during such period and (ii) that portion of each Principal Installment of such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series or, if (a) there shall be no such preceding Principal Installment due date or (b) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the date of issuance of such Series, whichever date is later.

Such interest and Principal Installments shall be calculated on the assumption that (1) no Assessment Bonds (except for Put Bonds actually tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof and (2) the principal amount of Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof shall be deemed to accrue on the date required to be paid pursuant to such tender.

For purposes of this definition, the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the applicable Supplemental Agreement.

For purposes of calculating the Debt Service on Variable Interest Rate Bonds for any period for which the actual interest rate has not been determined, such Variable Interest Rate Bonds shall be assumed to bear interest at the Assumed Interest Rate; provided that Debt Service on a Series with respect

to which there is a Qualified Hedge Agreement shall be calculated consistent with the Assessment Bond Trust Agreement.

Debt Service shall include costs of Credit Facilities and Liquidity Facilities and reimbursement to Providers of Credit Enhancement, in each case if and to the extent payable from the Debt Service Fund.

At the option of the Authority, Debt Service on any Series of Balloon Debt may be excluded from the calculation of Debt Service and, in such event, Assumed Debt Service shall be included in such calculation in place thereof.

Excluded Principal Payments (and, to the extent the related interest thereon is being paid from the same source, such related interest) and the principal of Bond Anticipation Notes shall be excluded from the calculation of Debt Service and Assumed Debt Service shall be included such calculation in place thereof.

*Debt Service Fund* shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

*Debt Service Reserve Fund* shall mean the Fund by that name that may be established at the option of the Authority by Supplemental Trust Agreement as provided by the Assessment Bond Trust Agreement.

*Debt Service Reserve Requirement* shall mean, until such time, if ever, as a Debt Service Reserve Fund is established, zero dollars (\$0), and thereafter, the amount set forth in the Supplemental Trust Agreement pursuant to which the Debt Service Reserve Fund is established.

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

*Dedicated Sales Tax* shall mean the base revenue amount or the dedicated sales tax revenue amount (as defined in Section 35T).

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

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

*Excluded Principal Payment* shall mean each payment of principal of Assessment Bonds, which the Authority determines (in a certificate delivered to the Trustee) that the Authority intends to pay with moneys (a) that are not Pledged Revenues (such as (i) the proceeds of future debt obligations of the Authority, (ii) grants or loans from the Commonwealth or the federal government, or any agency or instrumentality thereof, or (iii) any other source of funds of the Authority) or (b) that have been or will be transferred to the Authority in accordance with the Assessment Bond Trust Agreement, upon which determination of the Authority the Trustee may conclusively rely. No such determination shall affect the security for such Assessment Bonds or the obligation of the Authority to pay such payments from Pledged Revenues or other amounts pledged thereto at the time of issuance thereof.

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

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

*Fund or Funds* shall mean each fund or all of the funds established by the Assessment Bond Trust Agreement, as the case may be.

*General Fund Expenses* shall mean, to the extent such expenses shall not have been otherwise provided for, (i) the net costs (including, in certain circumstances, termination payments or fees) of any Hedge Agreements payable from the General Fund pursuant to and in accordance with Section 104 of the Assessment Bond Trust Agreement and (ii) any other costs approved by the Board of Directors of the Authority.

*General Fund Indebtedness* shall mean any bond, note or other evidence of indebtedness issued by the Authority in accordance with Section 206 of the Assessment Bond Trust Agreement which is secured by or payable from the Pledged Revenues and other amounts on deposit from time to time in the General Fund, provided that any such pledge shall not be prior or equal to the pledge thereof made hereby for the benefit of Sales Tax Bonds.

*Hedge Agreement* shall mean a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes in interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including without limitation, interest rate floors, or caps, options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to any Series of Assessment Bonds.

*Historic Assessment Amount* shall mean (as of any date of computation) the amount of the Assessments for the Fiscal Year preceding such computation.

*Historic Revenue Amount* shall mean (as of any date of computation) the sum of the Pledged Revenues for the Fiscal Year preceding such computation.

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

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

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

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

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

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

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

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

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

(iv) an obligation of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local governmental unit of any such state or political subdivision

which shall be rated at the time of the investment in one of the three highest rating categories by any NRSRO, without regard to any refinement or gradation of such rating;

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

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

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

(viii) a time deposit, certificate of deposit, whether negotiable or non-negotiable, and a banker's acceptance of one or more of the 50 largest banks in the United States or commercial paper issued by the parent holding company of any such bank which at the time of investment has an outstanding unsecured, uninsured and unguaranteed debt issue rated in one of the three highest rating categories by any NRSRO, without regard to any refinement or gradation of such rating;

(ix) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York which at the time of investment has an outstanding unsecured, uninsured and unguaranteed long-term debt issue or commercial paper issue rated in one of the three highest rating categories by any NRSRO, without regard to any refinement or gradation of such rating, which agreement is secured by any one or more of the securities described in clause (i), (iii) or (vii) above which securities shall at all times have a market value (exclusive of accrued interest) of not less than the full amount of the repurchase agreement and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian;

(x) an Investment Agreement;



(xi) money market funds registered under the Federal Investment Company Act of 1940, as amended, whose shares are registered under the Federal Securities Act of 1933, and rated in one of the three highest rating categories by any NRSRO, without regard to any refinement or gradation of such rating;

(xii) commercial paper, notes, bonds or other obligations of any corporation rated, at the time of investment, in one of the three highest rating categories by any NRSRO, without regard to any refinement or gradation of such rating; and

(xiii) any other investment in which moneys of the Authority may be legally invested.

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

*Net Debt Service* shall mean Debt Service payable on Assessment Bonds less (a) interest accrued or to accrue on such Assessment Bonds which is to be paid from deposits in the Debt Service Fund from the proceeds of Assessment Bonds in accordance with a certificate of an Authorized Officer to the Trustee, (b) additional amounts transferred to the Debt Service Fund at the Authority's direction, (c) Investment Income from the Pledged Revenue Fund and any Account of the Bond Proceeds Fund established by Supplemental Agreement and held by the Trustee transferred or to be transferred in the current Fiscal Year to or retained in the Debt Service Fund and (d) Dedicated Payments deposited in the Debt Service Fund pursuant to the Assessment Bond Trust Agreement.

*NRSRO* shall mean any nationally recognized statistical rating organization then registered as such with the Securities Exchange Commission.

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

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

(i) any Assessment Bonds canceled by any Fiduciary at or prior to such date;

(ii) Assessment Bonds (or portions of Assessment Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Assessment Bond Trust Agreement and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Assessment Bonds (or portions of Assessment Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Assessment Bond Trust Agreement;

(iii) Assessment Bonds in lieu of or in substitution for which other Assessment Bonds shall have been authenticated and delivered pursuant to the Assessment Bond Trust Agreement unless proof satisfactory to the Trustee is presented that any such Assessment Bonds are held by a bona fide purchaser in due course;

(iv) Assessment Bonds deemed to have been paid as provided in the Assessment Bond Trust Agreement; and

(v) Put Bonds deemed tendered in accordance with the provisions of the applicable Supplemental Agreement on the applicable adjustment or conversion date, if the purchase price thereof and interest thereon shall have been paid or amounts are available for such payment as provided in the Assessment Bond Trust Agreement.

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

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

*Pledged Revenue Fund* shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

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

*Principal Installment* shall mean, as of any date of calculation and with respect to the Assessment Bonds of any Series, so long as any Assessment Bonds thereof are Outstanding, (i) the principal amount of Assessment Bonds (including the principal amount of any Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series due on a future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on a future date for Assessment Bonds of such Series, plus the amount of the premium, if any, which would be applicable upon redemption of such Assessment Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Assessment Bonds of such Series, the sum of such principal amount of Assessment Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date, plus such applicable redemption premium, if any.

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

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

*Qualified Hedge Agreement* shall mean a Hedge Agreement which meets the tests of the Assessment Bond Trust Agreement.

*Qualified Institution* shall mean (i) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time an Investment Agreement, Qualified Hedge Agreement, Credit Facility or

Liquidity Facility is entered into by the Authority are rated in the three highest categories, without regard to any refinement or gradation of such rating, by any NRSRO or (ii) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality.

*Rebate Fund* shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

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

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

*Refunding Bonds* shall mean all Assessment Bonds authenticated and delivered on original issuance pursuant to the provisions under the heading “Special Provisions for Refunding Bonds.”

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

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

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

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

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

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

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

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

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

*Trustee* shall mean the trustee appointed under the Assessment Bond Trust Agreement, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Assessment Bond Trust Agreement.

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

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

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

### **The Pledge Effected by the Assessment Bond Trust Agreement**

The Assessment Bonds are special obligations payable solely from the items pledged to the payment thereof pursuant to the terms of the Assessment Bond Trust Agreement.

The Assessment Bond Trust Agreement provides that there is pledged for the payment, first, of the Assessment Bonds and, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the provisions of the Assessment Bond Trust Agreement, subject only to the provisions of the Assessment Bond Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions in the Assessment Bond Trust Agreement and therein set forth: (i) all Pledged Revenues, (ii) Dedicated Payments allocated to Assessment Bonds and interest earnings thereon, (iii) amounts received from the trustee under the Sales Tax Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement, (iv) the Deficiency Fund and the Capital Maintenance Fund including the investments, if any, thereof, and (v) all Funds and Accounts established by the Assessment Bond Trust Agreement (other than the Bond Proceeds Fund while it is held and administered by the Authority and the Rebate Fund) including the investments, if any, thereof. (*Section 201, 501*).

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

Assessment Bonds of one or more Series may at any time or from time to time be authenticated and delivered upon original issuance (i) to pay or provide for the payment of other Authority bonds, notes or other obligations, (ii) to refund Outstanding Assessment Bonds, (iii) to pay costs of the Authority in accordance with the Act, (iv) to make a deposit to the Bond Proceeds Fund, the Debt Service Fund, the Debt Service Reserve Fund (if any), the Deficiency Fund or the Capital Maintenance Fund, including any Accounts therein, and (v) to pay or provide for the payment of the costs incurred in connection with the issuance of Assessment Bonds.

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

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

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

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

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

(5) A certificate of an Authorized Officer:

(i) setting forth for the then current and each future Fiscal Year during which such Series of Assessment Bonds shall be Outstanding (a) the Net Debt Service for Outstanding Assessment Bonds after the issuance of such Series of Assessment Bonds, (b) the Residual Sales Tax and (c) the Additional Obligations Debt Service; and

(ii) demonstrating that, for each year:

(a) the greater of (1) the Historic Assessment Amount and (2) the Assessment Floor Amount, divided by the Net Debt Service set forth in clause 5(i)(a) is at least equal to 1.30; and

(b) the sum of the Assessment Floor Amount plus the Residual Sales Tax set forth in 5(i)(b) divided by the Net Debt Service set forth in 5(i)(a) is at least equal to 1.50; and

(6) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Assessment Bonds of such Series (and in the event that any Outstanding Assessment

Bonds are then being redeemed, after such redemption), (i) the Authority will not be in default in the performance of the terms and provisions of the Assessment Bond Trust Agreement or of any of the Assessment Bonds, (ii) in the event that the Debt Service Reserve Fund Requirement is other than zero dollars (\$0), the amount on deposit in the Debt Service Reserve Fund (after taking into account any surety bond, insurance policy, letter of credit or other similar obligation on deposit therein) will be at least equal to such Debt Service Reserve Requirement and (iii) if any Additional Obligations are outstanding, the requirements of the certificate described in the Assessment Bond Trust Agreement will be satisfied. (*Section 202*).

### **Special Provisions for Refunding Bonds**

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

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Assessment Bond Trust Agreement of:

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

(2) If the Assessment Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in the Assessment Bond Trust Agreement relating to defeasance of Assessment Bonds, instructions to the Trustee, satisfactory to it;

(3) If the Assessment Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in the Assessment Bond Trust Agreement relating to defeasance of Assessment Bonds, (i) moneys and/or (ii) Investment Obligations (as defined in the Assessment Bond Trust Agreement) as shall be necessary to comply with the provision of the Assessment Bond Trust Agreement, which Investment Obligations and moneys shall be held in trust and used only as provided the Assessment Bond Trust Agreement;

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

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

Assessment Bond Trust Agreement and (ii) that the Assessment Bonds to be refunded are no longer Outstanding.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Assessment Bonds in the manner provided in the Supplemental Agreement authorizing such Assessment Bonds. (*Section 204*).

### **Bond Anticipation Notes**

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

### **Additional Obligations**

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness or to enter into a hedge agreement pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness or provider of the hedge agreement is not, except as provided in the Assessment Bond Trust Agreement, entitled to a charge or lien or right with respect to the Pledged Revenues or the Funds and Accounts created hereby or pursuant to the Assessment Bond Trust Agreement. Notwithstanding the foregoing, the Authority may by Supplemental Resolution issue bonds, notes or any other obligations or enter into a hedge agreement entitled to a charge or lien or right with respect to the Pledged Revenue or the Funds and Accounts under the Assessment Bond Trust Agreement (collectively, "Additional Obligations"), provided that amounts payable on such obligations or under such agreement shall be payable after the deposits set forth in the Assessment Bond Trust Agreement. In connection with each issuance of Additional Obligations and/or Assessment Bonds, there shall be delivered to the Trustee a certificate of an Authorized Officer demonstrating that for the current and each future Fiscal Year in which any Additional Obligations are to be outstanding, the Historic Revenue Amount divided by the sum of the Net Debt Service for Outstanding Assessment Bonds and the Additional Obligations Debt Service, is at least equal to 1.00. (*Section 206*).

## Hedging Transactions

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

If the Authority shall enter into any Qualified Hedge Agreement with respect to any Assessment Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to those Assessment Bonds then during the term of the Qualified Hedge Agreement and so long as the Provider of the Qualified Hedge Agreement is not in default:

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

(2) any such payments (other than fees and termination payments) required to be made by the Authority to the Provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Debt Service Fund;

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

(4) fees and termination payments, if any, payable to the Provider pursuant to such Qualified Hedge Agreement, other than solely as a result of an event of default with respect to the Provider or event affecting the Provider, shall be paid from amounts on deposit in the General Fund; and

(5) fees and termination payments, if any, payable to the Provider pursuant to such Qualified Hedge Agreement solely as a result of an event of default with respect to the Provider or event affecting the Provider shall be a general unsecured obligation of the Authority.

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

(1) the interest rate adjustments or assumptions referred to in clause (1) under this heading shall not be made;

(2) any and all payments required to be made by the Authority to the Provider pursuant to such Hedge Agreement, other than solely as a result of an event of default with respect to the Provider or event affecting the Provider, may be made be paid from amounts on deposit in the General Fund if and to the extent expressly provided in the Hedge Agreement; and

(3) fees and termination payments payable to the Provider solely as a result of an event of default with respect to the Provider or event affecting the Provider and, if not expressly provided in the Hedge Agreement to be paid from amounts on deposit in the General Fund, other payments required to be made by the Authority to the Provider under the Hedge Agreement shall be a general unsecured obligation of the Authority. (*Section 104*).



## **Redemption of Assessment Bonds**

Assessment Bonds subject to redemption prior to maturity pursuant to a Supplemental Agreement shall be redeemable, upon notice as provided in the Assessment Bond Trust Agreement, at such times, at such Redemption Prices and upon such terms as may be specified in the Assessment Bond Trust Agreement or in the Supplemental Agreement authorizing such Series.

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

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

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

Notice of the call for any redemption of Assessment Bonds prior to maturity shall be given as provided in the applicable Supplemental Agreement. (*ARTICLE IV*).

### ***Establishment of Funds and Accounts***

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

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

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

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

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

(2) Rebate Fund.

Amounts held at any time by the Authority in any of the Funds and Accounts established pursuant to the Assessment Bond Trust Agreement shall not be held in trust for the benefit of the Owners of Assessment Bonds, but shall be disbursed, allocated and applied solely for the uses and purposes provided in the Assessment Bond Trust Agreement. Additional funds, accounts or subaccounts may be created for other purposes by any Supplemental Agreement. Notwithstanding the foregoing, the Authority by Supplemental Agreement authorizing a Series of Assessment Bonds may designate that one or more Accounts in the Bond Proceeds Fund created by such Supplemental Agreement be held and administered by the Trustee and pledged to the Owners of the Assessment Bonds. (*Section 502*).

#### ***Bond Proceeds Fund***

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

#### ***Pledged Revenue Fund and Application Thereof***

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

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

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

(3) If the Trustee shall have received a certificate from the trustee under the Sales Tax Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, to such trustee the amount set forth in such certificate;

(4) To the General Fund, the amount set forth in a certificate of an Authorized Officer for the payment of certain amounts under Hedge Agreements; and

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

In determining the amounts to be transferred to the Authority for deposit in the Funds and Accounts held by the Authority, the Trustee may rely exclusively on a certificate of an Authorized Officer setting forth such amounts, which certificate shall be timely provided to the Trustee by the Authority. (*Section 504*).

### ***Rebate Fund***

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

### ***Debt Service Fund***

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

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

In the event the amount on deposit in the Debt Service Fund shall be less than the requirement of such Fund pursuant to the Assessment Bond Trust Agreement, the Trustee shall provide a certificate to the Authority and the trustee under the Sales Tax Bond Trust Agreement setting forth the amount of the

shortfall and shall receive such amount (to the extent available) from the Pledged Revenue Fund under the Sales Tax Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement.

In the event of the refunding of any Assessment Bonds, the Authority may direct the Trustee to withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in a separate account with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Assessment Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter Assessment Bonds being refunded shall be deemed to have been paid pursuant to the Assessment Bond Trust Agreement, and (b) the amount remaining in the Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to the Assessment Bond Trust Agreement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in any Fund or Account under the Assessment Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless clauses (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Assessment Bond Trust Agreement (other than the Fund or Account into which such amount is being transferred). (*Section 506*).

The Seventh Supplemental Trust Agreement provides that, with respect to the Bonds the Authority may at any time prior to November 13, 2011 transfer funds from the Bond Proceeds Fund to the Trustee for deposit in the Debt Service Fund to pay interest on the Bonds. Subsequent transfers from the Revenue Fund to the Debt Service Fund are adjusted accordingly.

#### ***Provisions for Debt Service Reserve Fund***

In the event that the Authority shall establish a Debt Service Reserve Fund, the Supplemental Trust Agreement establishing such Fund shall set forth the terms, if any, for (i) the application of moneys therein to cure deficiencies in the required deposits to the Debt Service Fund, (ii) withdrawals of amounts therein in excess of the Debt Service Reserve Fund Requirement, (iii) funding of the required deposits and transfers to such Fund by cash and Investment Obligations or, at the option of the Authority, surety bonds, insurance policies, letters of credit or otherwise and the criteria for eligibility of the same, (iv) replenishment of moneys in such Fund to at least the Debt Service Reserve Fund Requirement as a result of draws on such Fund or as a result of changes in valuation and (v) use of moneys on deposit therein to pay Assessment Bonds whether at maturity, on prior redemption, or otherwise. (*Section 507*).

#### ***General Fund***

If, on the last Business Day of any month, the amount in the Debt Service Fund shall be less than the amount required to be deposited therein on such date or the amount in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement, the Authority shall transfer from any or all accounts within the General Fund to the credit of the respective Funds the amount necessary (or all the moneys credited to the General Fund if less than the amount necessary) to make up such deficiency.

To the extent not required to make up any such deficiency, amounts in the General Fund may, upon the direction of an Authorized Officer of the Authority, be transferred to any Fund or Account, transferred to the Authority free and clear of the lien of the Assessment Bond Trust Agreement for any of its corporate purposes consistent with the Act, or applied to the payment of debt service on General Fund Indebtedness or the payment of any General Fund Expenses. (*Section 510*).

### ***Investment of Funds***

Amounts in the Funds and Accounts established by the Assessment Bond Trust Agreement may be invested by the Trustee at the written direction of the Authority or by the Authority, as the case may be, only in Investment Obligations. To the extent not used to meet the requirement of such Funds and Accounts, income from such Investment Obligations held in the Pledged Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund (if any) and in any Account of the Bond Proceeds Fund established by Supplemental Agreement and held by the Trustee shall be credited to the Debt Service Fund; provided, however, that in order to comply with the provisions under the heading "Tax Covenant" herein the Authority may provide in the Supplemental Agreement authorizing a series of Assessment Bonds that earnings on the Debt Service Fund and Debt Service Reserve Fund (if any), as applicable, shall be transferred to the Capital Account of the Bond Proceeds Fund, to the extent such earnings exceed the amount needed to meet the obligations under paragraph (1) under the heading "Pledged Revenue Fund and Application Thereof." The income from any Investment Obligations in the Rebate Fund and in the Bond Proceeds Fund or in a separate account or sub-account therein shall be held in such Fund, Account or sub-account for the purposes thereof. The Trustee and the Authority shall sell any Investment Obligations held in any Fund or Account to the extent required for payments from such Fund or Account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or Account to the extent required to meet the requirements of such Fund or Account. In computing the amount of such Funds and Accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Investment Obligation shall be treated as income from such Investment Obligation for purposes of the provisions under this heading.

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

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

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

The Trustee is hereby authorized, in making or disposing of any investment permitted by this Trust Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person dealing as principal for its own account. (*Section 508*).

### ***Satisfaction of Sinking Fund Installments***

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

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

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

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

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

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

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

The Trustee shall pay out of the Debt Service Fund as applicable, to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Assessment Bonds so called for redemption (or for the payment of such Assessment Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Assessment Bonds shall be paid by the Authority.

Except as may be otherwise provided with respect to Put Bonds in the Supplemental Agreement providing for the issuance thereof, all Assessment Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Assessment Bonds, together with all Assessment Bonds purchased or redeemed which have been delivered to the Trustee for application as a credit against Sinking Fund Installments, and all Assessment Bonds purchased by the Trustee, shall thereupon be promptly canceled. (*Section 509*).

### **Particular Covenants of the Authority:**

#### ***Payment of Assessment Bonds***

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

#### ***Power to Issue Assessment Bonds and Pledge Pledged Revenues and Other Funds***

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

### ***Dedicated Payments***

In the Authority's discretion, revenues of the Authority which are not Pledged Revenues as defined in the Assessment Bond Trust Agreement as initially adopted may be pledged and designated as Dedicated Payments by resolution of the Authority, provided the conditions in one of the two following sentences of this paragraph are satisfied. If such Dedicated Payments are to be received from the United States of America, (a) they must automatically recur without appropriation, approval or other similar action by the United States of America or any agency or instrumentality thereof for so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds and (b) the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period. If such Dedicated Payments are to be received from the Commonwealth, they must consist of a payment obligation payable to the Authority pursuant to a statutory or contractual arrangement with the Commonwealth which, in the opinion of Bond Counsel, constitutes a general obligation of the Commonwealth; provided that at the time of entering into such arrangement (a) such arrangement, by its terms, will not terminate so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds and (b) the manner of determining the amounts to be derived from such arrangement is not subject to change or revision during such period.

All Dedicated Payments shall be deposited upon receipt in the Debt Service Fund, as determined by such Certificate of an Authorized Officer. The Authority may in its discretion reverse or modify any pledge and designation of Dedicated Revenues by a further resolution and any determination to deposit Dedicated Payments in the Debt Service Fund may be reversed or modified by Certificate of an Authorized Officer, provided that a Certificate of an Authorized Officer shall establish that following any such reversal or modification the Authority will meet the test for incurring \$1 (one dollar) of additional Assessment Bonds set forth in the Assessment Bond Trust Agreement. (*Section 605*).

### ***Accounts and Reports***

The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of the Funds established by this Trust Agreement, and which shall at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than twenty-five percent (25%) in principal amount of the Assessment Bonds then Outstanding or their representatives duly authorized in writing. The Authority shall cause such books and accounts to be audited annually after the end of its Fiscal Year by an independent public accountant selected by the Authority and shall furnish to the Trustee a copy of the report of such audit. Such audit report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions hereof and of each Supplemental Trust Agreement; a statement of the Pledged Revenues collected in connection herewith and with each Supplemental Trust Agreement; a statement of the balance in the Debt Service Reserve.

The reports, statements and other documents required to be furnished by the Authority to the Trustee pursuant to any provisions of this Trust Agreement shall be available for the inspection of Bondowners at the office of the Trustee. The Trustee shall have no obligation to review any such reports, statements or documents or otherwise determine if the Authority has complied with its obligations under Section 606(1). Delivery of such reports, statements or documents shall not constitute constructive notice of any information contained therein or determinable from information contained therein. (*Section 606*).

### ***Tax Covenant***

The Authority shall take, or require to be taken, such action as may from time to time be required to assure the continued exclusion from the federal gross income of holders of any Series of Assessment Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes. The Authority shall not permit the investment or application of the proceeds of any



Series of Assessment Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes, including any funds considered proceeds within the meaning of section 148 of the Code, to be used to acquire any investment property the acquisition of which would cause such Assessment Bonds to be “arbitrage bonds” within the meaning of said section 148. (*Section 607*).

### ***Funding of Deficiency Fund and Capital Maintenance Fund***

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

### ***Condition to Issuance of Bonds Secured by Dedicated Sales Tax***

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

### ***General***

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

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

For the purpose of performing and carrying out the duties imposed on the Authority by the Assessment Bond Trust Agreement, the Authority may employ any individual, firm or corporation it deems necessary to fulfill its responsibilities under the Act and the Assessment Bond Trust Agreement. (*Section 610*).

### ***Trustee and Paying Agents***

U.S. Bank Trust Company, National Association is appointed Trustee under the Assessment Bond Trust Agreement. The Authority may appoint one or more Paying Agents for Assessment Bonds of any Series in the applicable Supplemental Agreement, and the Authority may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in the Assessment Bond Trust Agreement for a successor Paying Agent. The Trustee may be appointed as Paying Agent.

The Trustee may at any time resign and be discharged of the duties and obligations created by the Assessment Bond Trust Agreement by giving not less than 30 days’ written notice to the Authority and the registered owners of the Assessment Bonds.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Assessment Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Assessment Bonds held by or for the account of the Authority. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Assessment Bond Trust Agreement with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Authority or the holders of not less than 25% in aggregate principal amount of Assessment Bonds Outstanding. Notwithstanding the foregoing provisions, at the end of the fifth Fiscal Year following the Fiscal Year in which the first series of Assessment Bonds is issued under the Assessment Bond Trust Agreement, and at the end of every fifth Fiscal Year thereafter, the Authority may remove the Trustee, except during the existence of an Event of Default, upon 120 days' written notice to the trustee by filing with the Trustee an instrument signed by an Authorized Representative of the Authority.

Any 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 \$100,000,000. (*Sections 701, 702, 707, 708, 709*).

### **Supplemental Agreements Not Requiring Consent of Bondowners**

The Authority and the Trustee may without the consent of, or notice to, any of the holders of the Assessment Bonds enter into agreements supplemental to the Assessment Bond Trust Agreement as shall not, in their opinion, be inconsistent with the terms and provisions of the Assessment Bond Trust Agreement for, among other things, and at any time or from time to time:

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

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

(c) to modify any of the provisions of the Assessment Bond Trust Agreement in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Assessments Bonds of any Series affected by the amendment Outstanding at the date of the execution and delivery of such Supplemental Agreement shall cease to be Outstanding, and (ii) such Supplemental Agreement shall be specifically referred to in the text of all Assessment Bonds of any Series authenticated and delivered after the date of the execution and delivery of such Supplemental Agreement and of Assessment Bonds issued in exchange therefor or in place thereof;

(d) to modify the definition of Investment Obligations as directed by the Authority;

(e) to subject to the lien of the Assessment Bond Trust Agreement additional revenues, security or collateral;

(f) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Assessment Bond Trust Agreement;

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

(h) to authorize the issuance of bonds, notes or any other obligation entitled to a lien on Pledged Revenues or the Funds and Accounts under the Assessment Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement;

(i) to provide for additional duties of the Trustee; or

(j) to provide for a Debt Service Reserve Fund pursuant to the Assessment Bond Trust Agreement and to set the Debt Service Reserve Fund Requirement to other than zero dollars (\$0). (*Section 801*).

### **Supplemental Agreements Effective with Consent of Bondowners**

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

### **Amendments**

Any modification or amendment of the Assessment Bond Trust Agreement and of the rights and obligations of the Authority and of the Owners of the Assessment Bonds thereunder may be made by a Supplemental Agreement, with the written consent given as provided in the Assessment Bond Trust Agreement, (i) of the Owners of at least a majority in principal amount of the Assessment Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Assessment Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount of the Assessment Bonds of the several Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Assessment Bonds of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Assessment Bonds shall not be required and such Assessment Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Assessment Bonds under this heading. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Assessment Bond or of any installment of interest thereon or a reduction in the principal amount, Accreted Value or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Assessment Bond, or shall reduce the percentages or otherwise affect the classes of Assessment Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this paragraph, a Series shall be deemed to be affected by a modification or amendment of the Assessment Bond Trust Agreement if the same adversely affects or diminishes the rights of the Owners of Assessment Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, Assessment Bonds of any particular Series or maturity would be affected by any modification or amendment of the Assessment Bond Trust Agreement. Any such determination may be based upon the written advice of

Bond Counsel, if so requested by the Trustee, and shall be binding and conclusive on the Authority and all Owners of Assessment Bonds. For purposes of the provisions under this heading, the Owners of the Assessment Bonds may include the initial holders thereof, regardless of whether such Assessment Bonds are being held for immediate resale. (*Section 902*).

### **Events of Default**

The occurrence of any one or more of the following events shall constitute an Event of Default under the Assessment Bond Trust Agreement:

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

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

(3) The Authority shall default in the observance or performance of any other covenants or agreements on the part of the Authority contained in the Assessment Bond Trust Agreement, and such default shall continue for ninety (90) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Assessment Bonds then Outstanding. (*Section 1001*).

### **Remedies**

Upon the occurrence and during the continuation of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Assessment Bonds then Outstanding under the Assessment Bond Trust Agreement shall proceed to protect and enforce its rights and the rights of the Bondowners under the laws of the Commonwealth or under the Assessment Bond Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board of officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Assessment Bond Trust Agreement or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. The Trustee shall not be required to take any remedial action (other than the giving of notice) unless indemnity satisfactory to the Trustee is furnished for any liability to be incurred thereby. (*Section 1002*).

### **Application of Pledged Revenues and Other Moneys After Default**

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

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

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

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

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

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

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

(ii) If the principal of all of the Assessment Bonds shall have become due and payable (but without implying any right to accelerate the payment of such principal as a remedy upon the occurrence of an Event of Default), to the payment of the principal and interest then due and unpaid upon the Assessment Bonds, with interest on the overdue principal at the rate borne by the Assessment Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference. (*Section 1003*).

## **Defeasance**

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

Assessment Bonds shall cease to be entitled to any lien, benefit or security under the Assessment Bond Trust Agreement, and all covenants, agreements and obligations of the Authority to the Owners of such Assessment Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision of the Assessment Bond Trust Agreement, certain provisions, including those related to redemption of Assessment Bonds, execution and authentication of Assessment Bonds, satisfaction of Sinking Fund Installments, appointment of Trustee and Paying Agents, appointment of Successor Trustee and Paying Agents, and compensation of Fiduciaries, (in the case of each of the foregoing, such survival shall continue only until such Assessment Bonds are in fact paid), and shall, within limits survive the defeasance of the Assessment Bonds.

(2) Assessment Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be defeased. Subject to the provisions of paragraph (3) through (7) under this heading, any Outstanding Assessment Bond shall prior to the maturity or redemption date thereof be defeased if (a) in case any of said Assessment Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions accepted in writing by the Trustee to mail as provided in the Assessment Bond Trust Agreement notice of redemption of such Assessment Bonds (other than Assessment Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Obligations (as hereinafter defined) including any Investment Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Assessment Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Assessment Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Assessment Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day on the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Trustee and that said Assessment Bonds are defeased and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraphs (7) and (8) under this heading, to be available for the payment of the principal or Redemption Price, if applicable, on said Assessment Bonds (other than Assessment Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). The Trustee shall, as and to the extent necessary, apply moneys held by it under this heading to the retirement of said Assessment Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Assessment Bonds, all in the manner provided in the Assessment Bond Trust Agreement. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of defeased Assessment Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the time of the mailing of the notice referred to in clause (a) above with respect to any defeased Assessment Bonds which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect to such Assessment Bonds and redeem or sell Investment Obligations so deposited with the Trustee and apply the proceeds thereof to the purchase of such Assessment Bonds as arranged and directed by the Authority and the Trustee shall immediately thereafter cancel all such Assessment Bonds so purchased; provided, however, that the moneys and Investment Obligations remaining on deposit with the Trustee after the purchase and cancellation of such Assessment Bonds shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all remaining Assessment Bonds, in respect of which such moneys

and Investment Obligations are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be.

If, at any time (i) prior to the maturity date of defeased Assessment Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any defeased Assessment Bonds which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Assessment Bonds and deliver such Assessment Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Assessment Bonds so delivered; such delivery of Assessment Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Assessment Bonds are to be applied against the obligation of the Trustee to pay or redeem defeased Assessment Bonds; all in accordance with the Assessment Bond Trust Agreement.

In the event that on any date as a result of any purchases, acquisitions and cancellations of Assessment Bonds, the total amount of moneys and Investment Obligations remaining on deposit with the Trustee is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Assessment Bonds in order to defease such Assessment Bonds, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security, interest, pledge or assignment securing said Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement. Except as otherwise provided in paragraph (2) and paragraphs (3) through (8) under this heading, neither Investment Obligations nor moneys deposited with the Trustee pursuant to the provisions under this heading nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Assessment Bonds; provided that any cash received from such principal or interest payment on such Investment Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Assessment Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement. For the purposes of the provisions under this heading, Investment Obligations shall mean and include only (x) such securities as are described in clauses (i), (iii), (v) and (vii) of the definition of "Investment Obligations" which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof, (y) such securities as are described in clause (ii) of the definition of Investment Obligations which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Owner thereof, or (z) upon compliance with the provisions of paragraph (5) under this heading, such securities as are described in clauses (i), (iii), (v) or (vii) of the definition of Investment Obligations which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

(3) For purposes of determining whether Variable Interest Rate Bonds are defeased, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne

interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the second sentence of paragraph (2) under this heading the Trustee shall, if requested, by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing the Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement.

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

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

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

(7) In the event that after compliance with the provisions of paragraph (5) under this heading the Investment Obligations described in clause (z) of paragraph (2) under this heading are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of the clause (b) of paragraph (2) under this heading, then any notice of redemption to be mailed by the Trustee and any set of



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

(8) Unless waived by the Authority at the time Assessment Bonds are defeased, at any time prior to the actual mailing of any applicable notice of redemption any redemption date or dates in respect of all or any portion of the Assessment Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and redemption dates may be established for any Assessment Bonds deemed to have been defeased upon their maturity date or dates; in both cases in accordance with the Assessment Bond Trust Agreement.

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

(10) Anything in the Assessment Bond Trust Agreement to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Assessment Bonds which remain unclaimed for three years (or such other period as may from time to time be prescribed by the laws of the Commonwealth, provided that if no period is so prescribed, such period shall be three years) after the date when such Assessment Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Assessment Bonds became due and payable, shall automatically revert from the Fiduciary to the Commonwealth once the Fiduciary has complied with the publication and reporting requirements as prescribed in accordance with the laws of the Commonwealth; provided, however, if no provision of Commonwealth law shall require that such funds be paid to the Commonwealth, such moneys shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Commonwealth, if paid to the Commonwealth, or the Authority, if paid to the Authority, for the payment of such Assessment Bonds. (*Section 1004*).

[THIS PAGE INTENTIONALLY LEFT BLANK]

## SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX BOND TRUST AGREEMENT

*The following is a summary of certain provisions of the Sales Tax Bond Trust Agreement including certain terms used in the Sales Tax Bond Trust Agreement not used elsewhere in this Official Statement. This summary does not purport to be complete and reference is made to the Sales Tax Bond Trust Agreement for full and complete statements of its terms and provisions.*

### **Definitions**

The following are definitions in summary form of certain terms contained in the Sales Tax Bond Trust Agreement:

*Account or Accounts* shall mean each account or all of the accounts established by or pursuant to the Sales Tax Bond Trust Agreement.

*Acceptable Credit Rating* means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers or issues a Qualified Hedge or a Credit Facility, 'A+', 'A1' or the equivalent rating from at least one (1) Nationally Recognized Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable; and (b) at any time thereafter, 'A', 'A2' or the equivalent rating from each Nationally Recognized Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable. *[Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

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

*Act* shall mean Chapter 161A of the Massachusetts General Laws, as from time to time in effect.

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

Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the Supplemental Trust Agreement authorizing Sales Tax Bonds which are Capital Appreciation Bonds or Deferred Income Bonds, as the case may be.

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

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

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

*Assessment Bonds* shall mean any bond or bonds and any bond anticipation note authenticated and delivered under the Assessment Bond Trust Agreement.

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

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

*Assessments* shall have the meaning provided in the recitals to the Sales Tax Bond Trust Agreement.

*Authority* shall have the meaning provided in the first paragraph of the Sales Tax Bond Trust Agreement.

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

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

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

*Bankruptcy Related Event* means, with respect to any Person,

(a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of such Person or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(b) such Person shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) solely with respect to the Authority, fail to make two (2) consecutive payments of RRIF Debt Service (as defined in the Loan Agreement) in accordance with the provisions of the Section 9 of the Loan Agreement (Payment of Principal and Interest), (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (vi), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law; or

(c) solely with respect to the Authority, the Trustee shall transfer, pursuant to directions issued by the Bondholders, funds on deposit in any of the Pledged Sales Tax Accounts upon the occurrence and

during the continuation of an Event of Default for application to the prepayment or repayment of any principal amount of the Bonds other than in accordance with the provisions of the Trust Agreement.  
[Definition to remain so long as the USDOT Sales Tax Bonds are Outstanding.]

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

*Bond Anticipation Note* shall mean a note issued pursuant to the Sales Tax Bond Trust Agreement.

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

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

*Bond Proceeds Fund* shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

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

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

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

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

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

*Combined Net Debt Service* shall mean Subordinated Net Debt Service plus Senior Net Debt Service.

*Commonwealth* shall mean The Commonwealth of Massachusetts.

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

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

*Debt Service* for any period shall mean, as of any date of calculation and with respect to the Outstanding Sales Tax Bonds of any Series, an amount equal to the sum of (i) interest accruing during such period on Outstanding Sales Tax Bonds of such Series and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series or, if (a) there shall be no such preceding Principal Installment due date or (b) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Sales Tax Bonds of such Series, whichever date is later. Such interest and Principal Installments for such Series shall be calculated on the assumption that (1) no Sales Tax Bonds (except for Put Bonds actually tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof and (2) the principal amount of Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof shall be deemed to accrue on the date required to be paid pursuant to such tender. For purposes of this definition, the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the applicable Supplemental Trust Agreement. Debt Service on Senior Sales Tax Bonds and Subordinated Sales Tax Bonds with respect to which there is a Qualified Hedge Agreement shall be calculated consistent with the Sales Tax Bond Trust Agreement. Debt Service shall include costs of Credit Facilities and Liquidity Facilities and reimbursement to Providers of Credit Enhancement, in each case if and to the extent payable from the applicable Debt Service Fund. Debt Service on Bond Anticipation Notes shall not include any Principal Installments thereon. With respect to any Variable Interest Rate Bonds, for purposes of calculating Debt Service hereunder, such Variable Interest Rate Bonds shall be deemed to bear interest at the Estimated Average Interest Rate.

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

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

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

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

*Estimated Average Interest Rate* means, as to any Variable Interest Rate Bond and as of any date of calculation, the “25-year revenue bond index” most recently published in The Bond Buyer or, if such index is no longer published, such other substantially comparable index as determined by the Authority; provided that, to the extent the then-current public rating of the Senior Sales Tax Bonds from any Rating Agency is lower than the third highest rating category (without regard to gradations such as “plus” or “minus” or numerical modifiers of such categories) conferred by such Rating Agency, for all purposes hereunder, the Estimated Average Interest Rate will be deemed to equal the maximum rate of interest permitted to apply to indebtedness incurred by the Authority under applicable law. *[Proviso effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

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

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

*Fund or Funds* shall mean each fund or all of the funds established by the Sales Tax Bond Trust Agreement, as the case may be.

*General Fund Expenses* shall mean, to the extent such expenses shall not have been otherwise provided for, (i) the net costs (including, in certain circumstances, termination payments or fees) of any Hedge Agreements payable from the General Fund pursuant to and in accordance with Section 104 of the Trust Agreement and (ii) and any other costs approved by the Board of Directors of the Authority. *[Fourth Supplemental Trust Agreement]*

*General Fund Indebtedness* shall mean any bond, note or other evidence of indebtedness issued by the Authority in accordance with Section 206 of the Trust Agreement which is secured by or payable from the Revenues and other amounts on deposit from time to time in the General Fund, provided that



any such pledge shall not be prior or equal to the pledge thereof made hereby for the benefit of the provider of any surety bond, insurance policy, letter of credit or other similar obligation held on the Senior Debt Service Reserve Fund. *[Fourth Supplemental Trust Agreement]*

*Government Obligations* means (a) direct obligations of, or obligations on which the timely payment of principal and interest are fully and unconditionally guaranteed by, the Government, (b) bonds, debentures or notes issued by any of the following federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association or Federal Land Banks, (c) obligations issued or guaranteed by a Person Controlled or supervised by and acting as an instrumentality of the Government pursuant to authority granted by the Congress, and (d) evidences of ownership of proportionate interests in future interest or principal payments on obligations specified in clauses (a), (b) and (c) of this definition held by a bank or trust company as custodian and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated, in each case. *[Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

*Governmental Authority* means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the Commonwealth and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts “on behalf of” any of the foregoing, whether as an agency or authority of such body. *[Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

*Hedge Agreement* shall mean a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes in interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including without limitation, interest rate floors, or caps, options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to any Series of Sales Tax Bonds.

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

*Indebtedness* shall mean Sales Tax Bonds or Bond Anticipation Notes.

*Insolvency Laws* means the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect. *[Definition to remain so long as the USDOT Sales Tax Bonds are Outstanding.]*

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

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

*Investment Income* shall mean income from Investment Obligations held in the Funds and Accounts established under the Sales Tax Bond Trust Agreement, other than (i) if so determined in a Supplemental Trust Agreement authorizing the issuance of a Series of Sales Tax Bonds, with respect to such Sales Tax Bonds, income from Investment Obligations purchased from the proceeds of such Sales Tax Bonds held in the Bond Proceeds Fund and (ii) income from Investment Obligations held in the Rebate Fund.

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

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

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

(iii) general obligations of the Commonwealth or obligations unconditionally guaranteed by the Commonwealth;

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

(v) an obligation of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision other than obligations described in clause (iii) above which shall be rated at the time of the investment in

a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency, without regard to any refinement or gradation of such rating;

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

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

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

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

(x) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York which at the time of investment has an outstanding unsecured, uninsured and unguaranteed long-term debt issue or commercial paper issue rated at least in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency (including the Trustee and its parent holding company, if any, if it otherwise qualifies), which agreement is secured by any one or more of the securities described in clause (i), (iv) or (viii) above which securities shall at all times have a market value (exclusive of accrued interest) of not less than the full amount of the repurchase agreement

and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian;

(xi) an Investment Agreement;

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

(xiii) commercial paper, notes, bonds or other obligations of any corporation rated, at the time of investment, in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency; and

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

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

*Loan Agreement* shall mean the RRIF Loan Agreement, dated as of July 1, 2020, between the Authority and the USDOT Lender, as the same may be amended or supplemented. [*Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.*]

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

*Notwithstanding the foregoing paragraph, the supplemental trust agreements authorizing the issuance of the Senior Sales Tax Bonds, 2016 Series A, and the Senior Sales Tax Bonds, 2018 Series A, each contains an amended definition of Minimum Senior Debt Service Reserve Requirement to which the Owners of such Sales Tax Bonds are deemed to have consented and which will take effect upon the obtaining of the consent of at least a majority in principal amount of the Senior Sales Tax Bonds Outstanding at the time such consent is given. From and after such occurrence, Minimum Senior Debt Service Reserve Requirement will mean as of any date of calculation, an amount equal to one-half of the least of (i) 10% of the original net proceeds from the sale of all Senior Sales Tax Bonds Outstanding, (ii)*

*125% of average annual Debt Service for all Senior Sales Tax Bonds Outstanding and (iii) the maximum amount of Debt Service due on all Senior Sales Tax Bonds Outstanding in any future Fiscal Year; the Estimated Average Interest Rate as of the date of issue for any Variable Interest Rate Bonds shall be used to establish Debt Service on such Senior Sales Tax Bonds for the purpose of the Minimum Senior Debt Service Reserve Requirement.*

Notwithstanding the above, pursuant to the Twenty-Third Supplemental Trust Agreement dated as of September 1, 2009, the Minimum Senior Debt Service Reserve Fund Requirement applicable to the Senior Sales Tax Bonds, 2009 Series C (Federally Taxable - Direct Pay to Issuer - Build America Bonds) (the “2009 Series C Bonds”) shall be determined net of the Dedicated Payments designated in Section 401 thereof and shall be equal to the Minimum Senior Debt Service Reserve Requirement calculated using Senior Net Debt Service with respect to the 2009 Series C Bonds.

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

*Nationally Recognized Rating Agency* means any nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission. *[Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

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

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

- (i) any Sales Tax Bonds canceled by any Fiduciary at or prior to such date,
- (ii) Sales Tax Bonds (or portions of Sales Tax Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Sales Tax Bond Trust Agreement and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Sales Tax Bonds (or portions of Sales Tax Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Sales Tax Bond Trust Agreement;
- (iii) Sales Tax Bonds in lieu of or in substitution for which other Sales Tax Bonds shall have been authenticated and delivered pursuant to the Sales Tax Bond Trust Agreement unless proof

satisfactory to the Trustee is presented that any such Sales Tax Bonds are held by a bona fide purchaser in due course;

(iv) Sales Tax Bonds deemed to have been paid as provided in the Sales Tax Bond Trust Agreement; and

(v) Put Bonds deemed tendered in accordance with the provisions of the Supplemental Trust Agreement authorizing such Sales Tax Bonds on the applicable adjustment or conversion date, if the purchase price thereof and interest thereon shall have been paid or amounts are available for such payment as provided in the Sales Tax Bond Trust Agreement.

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

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

*Permitted Investments* means, with respect to the investment of the proceeds of the RRIF Loan or any account established and maintained pursuant to the USDOT Supplemental Sales Tax Trust Agreement:

(a) Government Obligations;

(b) certificates of deposit where the certificates are collaterally secured by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by the Government;

(c) repurchase agreements with counterparties that have an Acceptable Credit Rating, when collateralized by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the re-purchase agreement so collateralized, including interest;

(d) investment agreements or guaranteed investment contracts rated, or with any financial institution whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated in one of the two (2) highest Rating Categories for comparable types of obligations by any Nationally Recognized Rating Agency; and

money market funds that invest solely in obligations of the United States of America, its agencies and instrumentalities, and having a rating by a Nationally Recognized Rating Agency equal to the then applicable rating of the United States of America by such Nationally Recognized Rating Agency.

*[Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

*Person* means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority. *[Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

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

*Pledged Revenue Fund* shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

*Pledged Sales Tax Accounts* means the Pledged Revenue Fund, the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Subordinated Debt Service Fund (including, for the avoidance of doubt, the USDOT Loan Account therein) and the Subordinated Debt Service Reserve Fund. *[Definition to remain so long as the USDOT Sales Tax Bonds are Outstanding.]*

*Prior Obligations* shall mean debt service and other payment obligations of the Authority due and payable under financing obligations for which the Commonwealth has pledged its credit or contract assistance (defined below) or is otherwise liable or as to which the Authority has covenanted to maintain net cost of service or contract assistance (both as defined in Chapter 161A of Massachusetts General Laws as in effect prior to July 1, 2000), including without limitation the Authority's General Transportation System Bonds issued pursuant to the General Bond Resolution adopted February 15, 1967, as amended and supplemented, but excluding the Authority's \$160,000,000 of 1999 Series B Notes due September 1, 2000.

*Principal Installment* shall mean, as of any date of calculation and with respect to the Sales Tax Bonds of any Series, so long as any Sales Tax Bonds thereof are Outstanding, (i) the principal amount of Sales Tax Bonds (including the principal amount of any Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series due on a future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the Sales Tax Bond Trust Agreement) of any Sinking Fund Installments due on a future date for Sales Tax Bonds of such Series, plus the amount of the premium, if any, which would be applicable upon redemption of such Sales Tax Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Sales Tax Bonds of such Series, the sum of such principal amount of Sales Tax Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date, plus such applicable redemption premium, if any.

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

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

*Qualified Hedge Agreement* shall mean a Hedge Agreement which meets the tests established by the Sales Tax Bond Trust Agreement.

*Qualified Institution* shall mean (i) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time an Investment Agreement, Qualified Hedge Agreement, Credit Facility or

Liquidity Facility is entered into by the Authority are rated in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by each Rating Agency which rates such obligations or (ii) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality. Pursuant to an amendment of the Trust Agreement by the Nineteenth Supplemental Trust Agreement, dated as of March 1, 2008, that certain Standby Bond Purchase Agreement provided by JPMorgan Chase Bank, National Association, or such Alternate Liquidity Facility assigned by the Rating Agencies ratings of "AA" from Standard & Poor's Rating Group or "Aa" from Moody's Investors Service, Inc. (without regard to gradation) is deemed to be a Liquidity Facility provided by a Qualified Institution solely for the purposes of the Authority's Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2008 Series A, consisting of 2008 Series A-1 and 2008 Series A-2.

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

*Rebate Fund* shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

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

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

*Refunding Bonds* shall mean all Sales Tax Bonds authenticated and delivered on original issuance pursuant to the provisions under the heading "Special Provisions for Refunding Bonds."

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

*Sales Tax Bond or Bonds* shall mean any bond or bonds and any Bond Anticipation Note authenticated and delivered under the Sales Tax Bond Trust Agreement.

*Section 35T* shall have the meaning provided in the Recitals to the Sales Tax Bond Trust Agreement.

*Senior Sales Tax Bonds* shall mean all Senior Sales Tax Bonds authenticated and delivered under the Sales Tax Bond Trust Agreement.

*Senior Debt Service Fund* shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

*Senior Debt Service Reserve Fund* shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.



*Senior Debt Service Reserve Requirement* shall mean for each Fiscal Year the amount set forth in a certificate of an Authorized Officer of the Authority filed with the Trustee by July 1 of each year, which certificate may be modified from time to time by such Authorized Officer during such Fiscal Year; provided, however, that in no event shall the Senior Debt Service Reserve Requirement be less than the Minimum Senior Debt Service Reserve Requirement.

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

*Series* shall mean all of the Sales Tax Bonds authenticated and delivered on original issuance and designated as such by the Authority in a simultaneous transaction pursuant to the Sales Tax Bond Trust Agreement and any Sales Tax Bonds thereafter authenticated and delivered in lieu of or in substitution therefor, regardless of variations in maturity, interest rate, sinking fund, or other provisions.

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

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

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

*Subordinated Sales Tax Bonds* shall mean all Subordinated Sales Tax Bonds authenticated and delivered under the Sales Tax Bond Trust Agreement.

*Subordinated Debt Service Reserve Fund* shall mean the fund by that name established by the Sales Tax Bond Trust Agreement.

*Subordinated Debt Service Reserve Requirement* shall mean for each Fiscal Year the amount set forth in a certificate of an Authorized Officer of the Authority filed with the Trustee by July 1 of each year, which certificate may be modified from time to time by such Authorized Officer during such Fiscal Year; provided, however, that in no event shall the Subordinated Debt Service Reserve Requirement be less than the Minimum Subordinated Debt Service Reserve Requirement.

*Subordinated Debt Service Fund* shall mean the fund by that name established by the Sales Tax Bond Trust Agreement.

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

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

*Trust Agreement* shall mean the Sales Tax Bond Trust Agreement dated July 1, 2000 by and between the Authority and the Trustee.

*Trustee* shall mean the trustee appointed under the Sales Tax Bond Trust Agreement, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Sales Tax Bond Trust Agreement.

*USDOT Lender* shall mean the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau, or any other agent or entity of the United States, in its capacity as Owner of the USDOT Sales Tax Bonds. *[Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

*USDOT Sales Tax Bonds* shall mean all Series of Subordinated Sales Tax Bonds authorized pursuant to the Forty-First Supplemental Trust Agreement, dated as of July 1, 2020 (i.e., the Subordinated Sales Tax Bonds, 2020 Series C (USDOT Loan), consisting of the Series C-1 Bond, the Series C-2 Bond and the Series C-3 Bond). *[Definition effective for so long as the USDOT Sales Tax Bonds are Outstanding.]*

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

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

*Variable Interest Rate Bond* shall mean a Sales Tax Bond which bears interest at a Variable Interest Rate. For purposes of any calculation hereunder, any Variable Interest Rate Bond shall be deemed to bear interest, at all times (for which the interest rate is not yet determined) to the maturity thereof, at the Estimated Average Interest Rate applicable thereto.

### ***The Pledge Effected by the Sales Tax Bond Trust Agreement***

The Sales Tax Bonds are special obligations payable solely from the items pledged to the payment thereof pursuant to the terms of the Sales Tax Bond Trust Agreement.

*[For so long as the USDOT Sales Tax Bonds are Outstanding:*

1. There are hereby pledged for the payment, first, of the Senior Sales Tax Bonds, second, of the Subordinated Sales Tax Bonds (*first*, for the payment of the Subordinated Sales Tax Bonds other than USDOT Sales Tax Bonds and *then*, from the USDOT Loan Account of the Subordinated Debt Service Fund, for the payment of the Subordinated Sales Tax Bonds that are USDOT Sales Tax Bonds) and after payment of the Senior Sales Tax Bonds and Subordinated Sales Tax Bonds, as aforesaid and as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the provisions of the Sales Bond Trust Agreement, subject only to the provisions of the Sales Bond Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Sales Bond Trust Agreement: (i) all Pledged Revenues, (ii) Dedicated Payments allocated to Senior Sales Tax Bonds and interest earnings thereon, (iii) amounts received from the trustee under the Assessment Bond Trust Agreement in accordance with Section 504 and 506, (iv) the Deficiency Fund and the Capital Maintenance Fund including the investment, if any, thereof, and (v) all Funds and Accounts established by the Sales Bond Trust Agreement (other than the Bond Proceeds Fund while it is held and administered by the Authority, the USDOT Loan Capital Account of the Bond Proceeds Funds, the Rebate Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund), including the investments, if any, thereof.

2. Subject only to the prior pledge created for the payment of Senior Sales Tax Bonds in subsection 1 above, and on the terms and conditions set forth therein with respect to such prior pledge, the property described in clauses (i), (iii), (iv) and (v) of said subsection 1 (except moneys or Investment Obligations in the Senior Debt Service Fund or the Senior Debt Service Reserve Fund and, in the case of Subordinated Sales Tax Bonds that are USDOT Sales Tax Bonds, the Subordinated Debt Service Reserve Fund) are hereby further pledged, and the proceeds of the sale of Subordinated Sales Tax Bonds (other than any USDOT Sales Tax Bonds), Dedicated Payments allocated to Subordinated Sales Tax Bonds and interest earnings thereon, the Subordinated Debt Service Fund and, only for the Subordinated Sales Tax Bonds that are not USDOT Sales Tax Bonds, the Subordinated Debt Service Reserve Fund, are hereby further pledged, to the payment of the Subordinated Sales Tax Bonds.

3. Notwithstanding anything in the Sales Bond Trust Agreement to the contrary, immediately upon the occurrence of a Bankruptcy Related Event of the Authority, without any other further action being taken by any person:

- (i) the USDOT Sales Tax Bonds shall be deemed to constitute Senior Sales Tax Bonds for all purposes of the Sales Bond Trust Agreement;
- (ii) such USDOT Sales Tax Bonds shall be secured by and payable from the property described in clauses (i), (ii), (iii), (iv) and (v) of subsection (1) of the Sales Bond Trust Agreement on parity with any Senior Sales Tax Bonds then Outstanding;

- (iii) all funds on deposit in the USDOT Loan Account shall be deemed to be automatically transferred, reestablished and redesignated to the Senior Debt Service Fund; and
- (iv) the Trustee shall pay out of the Senior Debt Service Fund all amounts required to be paid in respect of the USDOT Sales Tax Bonds. ]

*[When the USDOT Sales Tax Bonds are no longer Outstanding:*

The Sales Tax Bond Trust Agreement provides that there is pledged for the payment, first, of the Senior Sales Tax Bonds, second, of the Subordinated Sales Tax Bonds and, after payment of the Senior Sales Tax Bonds and Subordinated Sales Tax Bonds, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the provisions of the Sales Bond Trust Agreement, subject only to the provisions of the Sales Tax Bond Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions in the Sales Tax Bond Trust Agreement and therein set forth: (i) all Pledged Revenues, (ii) Dedicated Payments allocated to the Senior Sales Tax Bonds and interest earnings thereon, (iii) amounts received from the trustee under the Sales Tax Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, (iv) the Deficiency Fund and the Capital Maintenance Fund including the investment, if any, thereof, and (v) all Funds and Accounts established by the Sales Tax Bond Trust Agreement (other than the Bond Proceeds Fund while it is held and administered by the Authority, the Rebate Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund) including the investments, if any, thereof.

Subject only to the prior pledge created for the payment of Senior Sales Tax Bonds under the second paragraph under this heading, and on the terms and conditions set forth therein with respect to such prior pledge, the property described in clauses (i), (iii), (iv) and (v) of said paragraph (except moneys or Investment Obligations in the Senior Debt Service Fund or the Senior Debt Service Reserve Fund) are hereby further pledged, and the proceeds of the sale of Subordinated Sales Tax Bonds, Dedicated Payments allocated to Subordinated Sales Tax Bonds and interest earnings thereon, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund are hereby further pledged, to the payment of the Subordinated Sales Tax Bonds. (*Sections 201, 501*). ]

### ***Provisions for Issuance of Sales Tax Bonds***

Sales Tax Bonds of one or more Series may at any time or from time to time be authenticated and delivered upon original issuance (i) to pay or provide for the payment of other Authority bonds, notes or other obligations, (ii) to refund Outstanding Sales Tax Bonds, (iii) to pay costs of the Authority in accordance with the Act, (iv) to make a deposit to the Bond Proceeds Fund, the Deficiency Fund or the Capital Maintenance Fund, including any Accounts therein, (v) in the case of Senior Sales Tax Bonds, to make a deposit to the Senior Debt Service Fund or the Senior Debt Service Reserve Fund, including any Accounts therein, (vi) in the case of Subordinated Sales Tax Bonds, to make a deposit to the Subordinated Debt Service Fund or the Subordinated Debt Service Reserve Fund, including any Accounts therein, and (vii) to pay or provide for the payment of the costs incurred in connection with the issuance of Sales Tax Bonds.

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

- (1) An Opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act to enter into the Sales Tax Bond Trust Agreement, and the Trust Agreement has been duly

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

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

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

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

Notwithstanding anything in the Trust Agreement to the contrary, that certain Standby Bond Purchase Agreement provided by JPMorgan Chase Bank, National Association, or such Alternate Liquidity Facility assigned by the Rating Agencies ratings of "AA" from Standard & Poor's Rating Group or "Aa" from Moody's Investors Service, Inc. (without regard to gradation) is deemed to be a Liquidity Facility provided by a Qualified Institution solely for the purposes of the Authority's Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2008 Series A, consisting of 2008 Series A-1 and 2008 Series A-2.

Notwithstanding anything in the Trust Agreement to the contrary, those certain Standby Bond Purchase Agreements provided by State Street Bank and Trust Company, or such Alternate Liquidity Facility assigned by the Rating Agencies ratings of "AA" from Standard & Poor's Rating Group or "Aa" from Moody's Investors Service, Inc. (without regard to gradation) are each deemed to be a Liquidity Facility provided by a Qualified Institution solely for the purposes of the Authority's Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2018 Series A, consisting of 2018 Subseries A-1 and 2018 Subseries A-2 (the "2018 Series A Bonds").

(5) A certificate of an Authorized Officer:

(i) setting forth (a) the Senior Net Debt Service for all Series of Sales Tax Bonds Outstanding immediately after such authentication and delivery for the then current and each future Fiscal Year during which such Series of Sales Tax Bonds will be Outstanding, (b) the Combined Net Debt Service for all Series of Sales Tax Bonds Outstanding immediately after such authentication and delivery for the then current and each future Fiscal Year during which such Series of Sales Tax Bonds will be Outstanding, and (c) the aggregate estimated payments due and payable on Prior Obligations for the then current and each such future Fiscal Year;

(ii) stating that the amount on deposit in the Senior Debt Service Reserve Fund and the Subordinated Debt Service Reserve Fund (after taking into account any surety bond, insurance policy, letter of credit or other similar obligation on deposit therein) immediately after the authentication and delivery of the Sales Tax Bonds of such Series (and in the event that any Outstanding Sales Tax Bonds are then being redeemed, after such redemption) will be at least equal to the Senior Debt Service Reserve Requirement and the Subordinated Debt Service Reserve Fund Requirement, respectively, and stating that there is no overdue payment obligations to the provider of any surety bond, insurance policy, letter of credit or other obligation on deposit in the Senior Debt Service Reserve Fund;

(iii) demonstrating, for the then current and each future Fiscal Year, that the sum of the Assessment Floor Amount plus the Residual Sales Tax divided by Net Debt Service (as defined in the Assessment Bond Trust Agreement) on outstanding Assessment Bonds is equal to or greater than 1.50; and

(iv) demonstrating that:

(a) the Base Revenue Floor Amount for each Fiscal Year during which such Series of Sales Tax Bonds will be Outstanding is equal to or greater than the sum of (i) the amount set forth in clause 5(i)(b) and (ii) the amount set forth in clause 5(i)(c) for each such Fiscal Year; or

(b) the Historic Dedicated Sales Tax Revenue Amount less, for the then current and each future Fiscal Year during which such Series of Sales Tax Bonds will be Outstanding, the amount set forth in clause 5(i)(c) above, divided by, for each such Fiscal Year, the amount set forth in clauses 5(i)(a) and 5(i)(b), respectively, is equal to or greater than 2.00 and 1.50.

In the event that at the time of delivery of such certificate, any Bond Anticipation Notes are Outstanding, such certificate shall assume that there are Sales Tax Bonds Outstanding in a principal amount equal to the Outstanding Bond Anticipation Notes, which Sales Tax Bonds mature in 40 years, bear interest at the Estimated Average Rate, the Principal Installments and interest due on such Sales Tax Bonds come due in substantially equal annual payments, and are Senior Sales Tax Bonds or Subordinated Sales Tax Bonds, depending on which of the foregoing the Series was designated pursuant to the resolution authorizing such Bond Anticipation Notes in accordance with the Sales Tax Bond Trust Agreement; and

(6) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Sales Tax Bonds of such Series, the Authority will not be in default in the performance of the terms and provisions of the Trust Agreement or of any of the Sales Tax Bonds. (*Section 202*).

### ***Special Provisions for Refunding Bonds***

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

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Sales Tax Bond Trust Agreement:

(1) If the Sales Tax Bonds to be refunded are to be redeemed, instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Sales Tax Bonds so to be refunded on a redemption date specified in such instructions, subject to the provisions of the Sales Tax Bond Trust Agreement;

(2) If the Sales Tax Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in the Sales Tax Bond Trust Agreement relating to defeasance of Sales Tax Bonds, instructions to the Trustee, satisfactory to it;

(3) If the Sales Tax Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in the Sales Tax Bond Trust Agreement relating to defeasance of Sales Tax Bonds, (i) moneys and/or (ii) Investment Obligations as shall be necessary to comply with the Sales Tax Bond Trust Agreement, which Investment Obligations and moneys shall be held in trust and used only as provided in the Sales Tax Bond Trust Agreement;

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

(5) Either (a) a certificate of an Authorized Officer of the Authority stating that (i) the final maturity of the Refunding Bonds is no later than the final maturity of the Sales Tax Bonds to be refunded and (ii) as a result of the issuance of the Refunding Bonds there shall be no increase in the amount of Senior Net Debt Service in any Fiscal Year and there shall be no increase in the amount of Combined Net Debt Service in any Fiscal Year; or (b) the certificate provided for in the Sales Tax Bond Trust Agreement with respect to such Series of Refunding Bonds, considering for all purposes of such certificate that (i) such Series of Refunding Bonds is either a Series of Senior Sales Tax Bonds or a Series of Subordinated Sales Tax Bonds and (ii) that the Sales Tax Bonds to be refunded are no longer Outstanding.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Sales Tax Bonds in the manner provided in the Supplemental Trust Agreement authorizing such Sales Tax Bonds. (*Section 204*).

### ***Bond Anticipation Notes***

Whenever the Authority shall authorize the issuance of a Series of Senior Sales Tax Bonds or Subordinated Sales Tax Bonds (without necessity for the Authority to have entered into a Supplemental Trust Agreement providing for such issue or to have satisfied the conditions set forth in the Sales Tax Bond Trust Agreement), the Authority may by resolution authorize the issuance of notes (and renewals thereof) in anticipation of the sale of such authorized Series of Sales Tax Bonds; provided, however, that in the event such authorized Series is Senior Sales Tax Bonds, the Authority may subsequently determine

to issue Subordinated Sales Tax Bonds to repay the notes. The principal of and interest on such notes and renewals thereof shall be payable from the proceeds of such notes, from the proceeds of the sale of the Series of Sales Tax Bonds in anticipation of which such Notes are issued or from funds of the Authority. The proceeds of such Sales Tax Bonds may be pledged for the payment of the principal of and interest on such notes and any such pledge shall have a priority over any other pledge of such proceeds created by the Sales Tax Bond Trust Agreement. The Authority may secure the payment of the interest on such notes by a pledge that is on a parity with the pledge under the Sales Tax Bond Trust Agreement securing all Sales Tax Bonds, in which event such interest shall be payable from the Senior Debt Service Fund or Subordinated Debt Service Fund, as applicable. The Authority may also pledge the Pledged Revenues and other Authority funds to the payment of the principal of such notes, but such pledge shall be subordinate to the pledge securing the payment of the Sales Tax Bonds. A copy of the resolution of the Authority authorizing such notes, certified by an Authorized Representative of the Authority, shall be delivered to the Trustee following its adoption. The aggregate principal amount of notes issued under this heading which may be Outstanding at any time shall be limited as and to the extent provided in the Act. (*Section 205*).

### ***Additional Obligations***

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

### ***Hedging Transactions***

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

If the Authority shall enter into any Qualified Hedge Agreement with respect to any Sales Tax Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to those Sales Tax Bonds then during the term of the Qualified Hedge Agreement and so long as the Provider of the Qualified Hedge Agreement is not in default:

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



(2) any such payments (other than fees and termination payments) required to be made by the Authority to the Provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Senior Debt Service Fund or Subordinated Debt Service Fund, as applicable;

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

(4) fees and termination payments, if any, payable to the Provider pursuant to such Qualified Hedge Agreement, other than solely as a result of an event of default with respect to the Provider or event affecting the Provider, shall be paid from amounts on deposit in the General Fund; and

(5) fees and termination payments, if any, payable to the Provider pursuant to such Qualified Hedge Agreement solely as a result of an event of default with respect to the Provider or event affecting the Provider shall be a general unsecured obligation of the Authority.

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

(1) the interest rate adjustments or assumptions referred to in clause (1) under this heading shall not be made;

(2) any and all payments required to be made by the Authority to the Provider pursuant to such Hedge Agreement, other than solely as a result of an event of default with respect to the Provider or event affecting the Provider, may be made be paid from amounts on deposit in the General Fund if and to the extent expressly provided in the Hedge Agreement; and

(3) fees and termination payments payable to the Provider solely as a result of an event of default with respect to the Provider or event affecting the Provider and, if not expressly provided in the Hedge Agreement to be paid from amounts on deposit in the General Fund, other payments required to be made by the Authority to the Provider under the Hedge Agreement shall be a general unsecured obligation of the Authority. (*Section 104*).

### ***Redemption of Sales Tax Bonds***

Sales Tax Bonds subject to redemption prior to maturity pursuant to a Supplemental Trust Agreement shall be redeemable, upon notice as provided in the Sales Tax Bond Trust Agreement, at such times, at such Redemption Prices and upon such terms as may be specified in the Sales Tax Bond Trust Agreement or in the Supplemental Trust Agreement authorizing such Series.

In the case of any redemption of Sales Tax Bonds otherwise than as provided in the third paragraph under this heading, the Authority shall give written notice to the Trustee of its election so to redeem, of the redemption date, of the Series, and of the principal amounts of the Sales Tax 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 any Supplemental Trust Agreement). Such notice shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee.

Whenever by the terms of the Sales Tax Bond Trust Agreement or a Supplemental Trust Agreement, Sales Tax Bonds are required to be redeemed otherwise than at the election of the Authority, the Authority may, subject to the provision of any related Supplemental Trust Agreement, select the

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

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

Notice of the call for any redemption of Sales Tax Bonds prior to maturity shall be given as provided in the applicable Supplemental Trust Agreement. (*ARTICLE IV*).

#### ***Establishment of Funds and Accounts***

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

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

*[For so long as the USDOT Sales Tax Bonds are Outstanding:*

(4) Subordinated Debt Service Fund, including the USDOT Loan Account established by the Thirty-Seventh Supplemental Trust Agreement (unless a Bankruptcy Related Event shall have occurred); and ]

*[When the USDOT Sales Tax Bonds are no longer Outstanding:*

- (5) Subordinated Debt Service Fund; and ]
- (5) Subordinated Debt Service Reserve Fund.

Amounts held at any time by the Trustee in any of the Funds and Accounts established pursuant to the provisions under this heading or under the Bond Proceeds Fund pursuant to a Supplemental Trust Agreement shall be held in trust for the Owners of the Sales Tax Bonds separate and apart from all other

funds of the Trustee, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Sales Tax Bond Trust Agreement.

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

- (1) Bond Proceeds Fund, which shall include the Capital Account and such other Accounts as the Authority may create by Supplemental Trust Agreement; and
- (2) Rebate Fund.

Amounts held at any time by the Authority in any of the Funds and Accounts established pursuant to the provisions under this heading shall be held in trust separate and apart from all other funds of the Authority for the benefit of the Owners of Sales Tax Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Sales Tax Bond Trust Agreement. Additional funds, accounts or subaccounts may be created for other purposes by any Supplemental Trust Agreement. Notwithstanding the foregoing, the Authority by Supplemental Trust Agreement authorizing a Series of Sales Tax Bonds may designate that one or more Accounts in the Bond Proceeds Fund created by such Supplemental Trust Agreement be held and administered by the Trustee and pledged to the Owners of the Sales Tax Bonds. (*Section 502 and Section 302 of the Fourth Supplemental Trust Agreement*).

#### ***Bond Proceeds Fund***

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

#### ***Pledged Revenue Fund and Application Thereof***

The Authority shall, immediately following the execution of the Sales Tax Bond Trust Agreement, transfer to the Trustee for payment into the Pledged Revenue Fund all Pledged Revenues as received, except Investment Income required by the terms hereof to be deposited in another Fund or Account. Amounts in the Pledged Revenue Fund shall be deposited in, or credited to, as appropriate, on the last Business Day of the month in which the first such amounts are deposited in the Pledged Revenue Fund and on or before the last Business Day of each month thereafter, the following Funds and Accounts, in the amounts and in the order and priority, as follows:

- (1) Into the Senior Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Senior Net Debt Service and the fees and charges related to Credit Facilities, Liquidity Facilities, and Qualified Hedge Agreements entered into in connection with Senior Sales Tax Bonds accrued or accruing prior to the last Business Day of the next succeeding month;
- (2) Into the Senior Debt Service Reserve Fund, the amount, if any, required for such Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement and subject to the provisions of the Sales Tax Bond Trust Agreement, to equal the Senior Debt Service Reserve Requirement as of the last day of the then current month; provided, however, that the provisions of the sixth paragraph under the heading "Senior Debt Service Reserve Fund" shall govern any replenishment required after a withdrawal from such Fund;

*[For so long as the USDOT Sales Tax Bonds are Outstanding:*

(3) For so long as the USDOT Sales Tax Bonds are Outstanding (a) *first*, into the Subordinated Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Subordinated Net Debt Service (excluding, for the purpose of such calculation, Debt Service payable on any USDOT Sales Tax Bonds) and the fees and charges related to Credit Facilities, Liquidity Facilities and Qualified Hedge Agreements entered into in connection with Subordinated Sales Tax Bonds (other than any USDOT Sales Tax Bonds) accrued or accruing prior to the last Business Day of the next succeeding month, and (b) *second*, into the USDOT Loan Account within the Subordinated Debt Service Fund, the amount, if any, required so that the balance in the USDOT Loan Account shall equal the amount of Debt Service payable on any USDOT Sales Tax Bonds accrued or accruing prior to the last Business Day of the next succeeding month; ]

*[When the USDOT Sales Tax Bonds are no longer Outstanding:*

(3) Into the Subordinated Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Subordinated Net Debt Service and the fees and charges related to Credit Facilities, Liquidity Facilities and Qualified Hedge Agreements entered into in connection with Subordinated Sales Tax Bonds accruing prior to the last Business Day of the next succeeding month; ]

(4) Into the Subordinated Debt Service Reserve Fund, the amounts, if any, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement and subject to the provisions of the Sales Tax Bond Trust Agreement, to equal the Subordinated Debt Service Reserve Requirement as of the last day of the then current month; provided, however, that the provisions of the Sales Tax Bond Trust Agreement shall govern any replenishment required after a withdrawal from such Fund;

(5) To the Authority for credit to the Rebate Fund, notwithstanding any other provisions of the Sales Tax Bond Trust Agreement, such Pledged Revenues at such times and in such amounts as shall be set forth in a certificate of an Authorized Officer;

(6) If the Trustee shall have received a certificate from the trustee under the Assessment Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement, to such trustee the amount set forth in such certificate;

(7) To the applicable trustee or custodian for Prior Obligations, the amount set forth in a certificate of an Authorized Officer for the payment of Prior Obligations;

(7A) To pay the provider of any surety bond, insurance policy, letter of credit or other similar obligation held on the Senior Debt Service Reserve Fund outstanding interest and expenses on amounts advanced under such obligation in accordance with the terms thereof;

(8) To the General Fund, the amount set forth in an certificate of an Authorized Officer for the payment of certain amounts under Hedge Agreements; and

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

Notwithstanding the foregoing, in the event that by April 1 of any year, commencing April 1, 2001, the Authority is otherwise unable to make the certification required under Section 35T that it has

made provision in its annual budget under the Act for sufficient amounts to be available in the next Fiscal Year to meet the Prior Obligations without changing the priority of payment of the Prior Obligations in accordance with this sentence, the deposit required pursuant to clause (7) above shall be made prior to the deposit required pursuant to clause (1) during the following Fiscal Year; provided, however, that if during such Fiscal Year the Authority shall adopt a supplemental budget which would permit the Authority to be able to make such certification without changing such priority as aforesaid, the deposit required pursuant to clause (7) shall not be required to be paid prior to the deposit under clause (1) for the remainder of such Fiscal Year.

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

Notwithstanding anything in the Trust Agreement to the contrary, in the event that the Dedicated Sales Tax to be credited by the Commonwealth to the State and Local Contribution Fund in a particular month is delayed to a subsequent month, such amounts may be deposited or credited to the Funds and Account as set forth in the Trust Agreement, at any time, upon the direction of the Authority.

### ***Rebate Fund***

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

### ***Senior Debt Service Fund***

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

The amount, if any, deposited in the Senior Debt Service Fund from the proceeds of each Series of Senior Sales Tax Bonds shall be set aside in such Fund and applied to the payment of interest on

Senior Sales Tax Bonds as provided in the Supplemental Trust Agreement relating to the issuance of such Series of Senior Sales Tax Bonds.

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

In the event of the refunding of any Senior Sales Tax Bonds, the Authority may direct the Trustee to withdraw from the Senior Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Senior Sales Tax Bonds being refunded and deposit such amounts in a separate account with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Senior Sales Tax Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter Senior Sales Tax Bonds being refunded shall be deemed to have been paid pursuant to the Sales Tax Bond Trust Agreement, and (b) the amount remaining in the Senior Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to the Sales Tax Bond Trust Agreement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Senior Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Senior Sales Tax Bonds being refunded and deposit such amounts in any Fund or Account under the Sales Tax Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless clauses (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Sales Tax Bond Trust Agreement (other than the Fund or Account into which such amount is being transferred). (*Section 506*).

### ***Senior Debt Service Reserve Fund***

If on the last Business Day of any month the amount in the Senior Debt Service Fund shall be less than the amount required to be in such Fund pursuant to paragraph (1) under the heading “Pledged Revenue Fund and Application thereof”, after deposit of any funds received from the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, the Trustee shall transfer to the Senior Debt Service Fund amounts from the Senior Debt Service Reserve Fund equal to the deficiency.

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

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

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

In the event of the refunding of any Senior Sales Tax Bonds, the Authority may direct the Trustee to withdraw from the Senior Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Senior Sales Tax Bonds being refunded and deposit such amounts with the Trustee in a separate account to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Senior Sales Tax Bonds being refunded; provided that such withdrawal

shall not be made unless (a) immediately thereafter the Senior Sales Tax Bonds being refunded shall be deemed to have been paid pursuant to the Sales Tax Bond Trust Agreement, and (b) the amount remaining in the Senior Debt Service Reserve Fund, after giving effect to the issuance of any Refunding Bonds and the disposition of the proceeds thereof and to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement, shall not be less than the Senior Debt Service Reserve Requirement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Senior Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to Senior Debt Service on the Senior Sales Tax Bonds being refunded and deposit such amounts in any Fund or Account under the Sales Tax Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied.

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

### ***Subordinated Debt Service Fund***

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



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

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

In the event of the refunding of any Subordinated Sales Tax Bonds, the Authority may direct the Trustee to withdraw from the Subordinated Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Subordinated Debt Service on the Subordinated Sales Tax Bonds being refunded and deposit such amounts in a separate account with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Subordinated Sales Tax Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter Subordinated Sales Tax Bonds being refunded shall be deemed to have been paid pursuant to the Sales Tax Bond Trust Agreement, and (b) the amount remaining in the Subordinated Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to the Sales Tax Bond Trust Agreement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Subordinated Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Subordinated Sales Tax Bonds being refunded and deposit such amounts in any Fund or Account under the Sales Tax Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless clauses (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Sales Tax Bond Trust Agreement (other than the Fund or Account into which such amount is being transferred). (*Section 508*).

### ***Subordinated Debt Service Reserve Fund***

If on the last Business Day of any month the amount in the Subordinated Debt Service Fund shall be less than the amount required to be in such Fund pursuant to the Sales Tax Bond Trust Agreement, after deposit of any funds received from the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, the Trustee shall transfer to the Subordinated Debt Service Fund amounts from the Subordinated Debt Service Reserve Fund equal to the deficiency.

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

Whenever the amount in the Subordinated Debt Service Reserve Fund, together with the amount in the Subordinated Debt Service Fund, is sufficient to pay in full all Outstanding Sales Tax Bonds in accordance with their terms (including principal or applicable Sinking Fund Installments thereof and interest thereon), the amounts on deposit in the Subordinated Debt Service Reserve Fund may in the Authority's discretion be transferred to the Subordinated Debt Service Fund. Prior to said transfer, all investments held in the Subordinated Debt Service Reserve Fund shall be liquidated to the extent

necessary in order to provide for the timely payment of principal or Redemption Price and interest on Subordinated Sales Tax Bonds.

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

In the event of the refunding of any Subordinated Sales Tax Bonds, the Authority may direct the Trustee to withdraw from the Subordinated Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Subordinated Sales Tax Bonds being refunded and deposit such amounts with the Trustee in a separate account to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Subordinated Sales Tax Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Subordinated Sales Tax Bonds being refunded shall be deemed to have been paid pursuant to the Sales Tax Bond Trust Agreement, and (b) the

amount remaining in the Subordinated Debt Service Reserve Fund, after giving effect to the issuance of any Refunding Bonds and the disposition of the proceeds thereof and to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement, shall not be less than the Subordinated Debt Service Reserve Requirement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Subordinated Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to Subordinated Debt Service on the Subordinated Sales Tax Bonds being refunded and deposit such amounts in any Fund or Account under the Sales Tax Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied.

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

Notwithstanding anything in the Sales Tax Bond Trust Agreement to the contrary, all references to Subordinated Sales Tax Bonds and Sales Tax Bonds in the Sales Tax Bond Trust Agreement shall not include Subordinated Sales Tax Bonds payable from amounts on deposit in the USDOT Loan Account of the Subordinated Debt Service Fund; provided that the foregoing shall cease to apply upon the occurrence of a Bankruptcy Related Event of the Authority, without any other further action being taken by any person. *[This paragraph effective so long as the USDOT Sales Tax Bonds are Outstanding.] (Section 509).*

### **General Fund**

If, on the last Business Day of any month, the amount in the Senior Debt Service Fund shall be less than the amount required to be deposited therein on such date, the amount in the Senior Debt Service Reserve Fund shall be less than the Senior Debt Service Reserve Requirement, the amount in the Subordinated Debt Service Fund shall be less than the amount then required to be on deposit in such Fund pursuant to the Trust Agreement or the amount in the Subordinated Debt Service Reserve Fund shall be less than the Subordinated Debt Service Reserve Requirement, the Authority shall transfer from any or all accounts within the General Fund to the credit of the respective Funds the amount necessary (or all the moneys credited to the General Fund if less than the amount necessary) to make up such deficiency.

To the extent not required to make up any such deficiency, amounts in the General Fund may, upon the direction of an Authorized Officer of the Authority, be transferred to any Fund or Account, transferred to the Authority free and clear of the lien of this Trust Agreement for any of its corporate purposes consistent with the Act, or applied to the payment of debt service on General Fund Indebtedness or the payment of any General Fund Expenses. *(Section 302 of the Fourth Supplemental Trust Agreement).*

## ***Investment of Funds***

Amounts in the Funds and Accounts established by the Sales Tax Bond Trust Agreement may be invested by the Trustee at the written direction of the Authority or by the Authority, as the case may be, only in Investment Obligations. To the extent not used to meet the requirement of such Funds and Accounts, income from such Investment Obligations held in the Pledged Revenue Fund, the Senior Debt Service Fund, the Senior Debt Service Reserve Fund and in any Account of the Bond Proceeds Fund established by Supplemental Trust Agreement and held by the Trustee shall be credited to the Senior Debt Service Fund and income from such Investment Obligations held in the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund shall be credited to the Subordinated Debt Service Fund; provided, however, that in order to comply with the provisions under the heading "Tax Covenant" herein the Authority may provide in the Supplemental Trust Agreement authorizing a series of Sales Tax Bonds that earnings on the Senior Debt Service Fund, Senior Debt Service Reserve Fund, Subordinated Debt Service Fund and Subordinated Debt Service Reserve Fund, as applicable, shall be transferred to the Capital Account of the Bond Proceeds Fund, to the extent such earnings exceed the amount needed to meet the obligations under paragraphs (1) and (3) under the heading "Pledged Revenue Fund and Application Thereof," as applicable. The income from any Investment Obligations in the Rebate Fund and in the Bond Proceeds Fund or in a separate account or sub-account therein shall be held in such Fund, Account or sub-account for the purposes thereof. The Trustee and the Authority shall sell any Investment Obligations held in any Fund or Account to the extent required for payments from such Fund or Account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or Account to the extent required to meet the requirements of such Fund or Account. In computing the amount of such Funds and Accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Investment Obligation shall be treated as income from such Investment Obligation for purposes of the provisions under this heading.

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

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

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

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

Notwithstanding anything in the Sales Tax Bond Trust Agreement to the contrary, all amounts held on deposit in any Fund or Account established by Section 301 of the Thirty-Seventh Supplemental Trust Agreement, dated as of December 8, 2017, may be invested only in Investment Obligations that constitute Permitted Investments. *[This paragraph effective so long as the USDOT Sales Tax Bonds are Outstanding.] (Section 510).*

### ***Satisfaction of Sinking Fund Installments***

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

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

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

All Sales Tax Bonds so purchased or redeemed shall be delivered to the Trustee for cancellation prior to the forty-fifth day preceding the due date of such Sinking Fund Installment. The principal amount of any Sales Tax Bonds so purchased or redeemed shall be deemed to constitute part of the Senior Debt Service Fund or Subordinated Debt Service Funds, as applicable, until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund.

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

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

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

The Trustee shall pay out of the Senior Debt Service Fund or Subordinated Debt Service Funds as applicable, to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Sales Tax Bonds so called for redemption (or for the payment of such Sales Tax Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Sales Tax Bonds shall be paid by the Authority.

Except as may be otherwise provided with respect to Put Bonds in the Supplemental Trust Agreement providing for the issuance thereof, all Sales Tax Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Sales Tax Bonds, together with all Sales Tax Bonds purchased or redeemed which have been delivered to the Trustee for application as a credit against Sinking Fund Installments, and all Sales Tax Bonds purchased by the Trustee, shall thereupon be promptly canceled. (*Section 511*).

#### **Particular Covenants of the Authority:**

##### ***Payment of Sales Tax Bonds***

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

##### ***Power to Issue Sales Tax Bonds and Pledge Pledged Revenues and Other Funds***

The Authority is duly authorized under all applicable laws to create and issue the Sales Tax Bonds and to adopt the Sales Tax Bond Trust Agreement and to pledge the Pledged Revenues and other moneys, securities and funds purported to be pledged by the Sales Tax Bond Trust Agreement in the manner and to the extent provided in the Sales Tax Bond Trust Agreement. Except to the extent otherwise provided in the Sales Tax Bond Trust Agreement, the Pledged Revenues and other moneys, securities, funds and accounts so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Sales Tax Bond Trust Agreement, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Sales Tax Bonds and the provisions of the Trust Agreement are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the

Sales Tax Bond Trust Agreement. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys, securities, funds and accounts pledged under the Sales Tax Bond Trust Agreement and all the rights of the Bondowners under the Sales Tax Bond Trust Agreement against all claims and demands of all persons whomsoever. (*Section 604*).

### ***Dedicated Payments***

In the Authority's discretion, revenues of the Authority which are not Pledged Revenues as defined in the Sales Tax Bond Trust Agreement as initially adopted may be pledged and designated as Dedicated Payments by resolution of the Authority, provided the conditions in one of the three following sentences of this paragraph are satisfied. If such Dedicated Payments are to be received from the United States of America, (a) they must automatically recur without appropriation, approval or other similar action by the United States of America or any agency or instrumentality thereof for so long as the Authority is relying thereon for the purpose of issuing Sales Tax Bonds and (b) the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period. If such Dedicated Payments are to be received from the Commonwealth, they must consist of a payment obligation payable to the Authority pursuant to a statutory or contractual arrangement with the Commonwealth which, in the opinion of Bond Counsel, constitutes a general obligation of the Commonwealth; provided that at the time of entering into such arrangement (a) such arrangement, by its terms, will not terminate so long as the Authority is relying thereon for the purpose of issuing Sales Tax Bonds and (b) the manner of determining the amounts to be derived from such arrangement is not subject to change or revision during such period. Notwithstanding the source of funding, if the Authority has received a written confirmation from each Rating Agency that its published, unenhanced rating of Outstanding Sales Tax Bonds will not be adversely affected, the Authority may, in its sole discretion, designate any revenues which are not Pledged Revenues as Dedicated Payments.

All Dedicated Payments shall be deposited upon receipt in the Senior Debt Service Fund or the Subordinated Debt Service Fund, as determined by such Certificate of an Authorized Officer. The Authority may in its discretion reverse or modify any pledge and designation of Dedicated Revenues by a further resolution and any determination to deposit Dedicated Payments in the Senior Debt Service Fund or the Subordinated Debt Service Fund may be reversed or modified by Certificate of an Authorized Officer, provided that a Certificate of an Authorized Officer shall establish that following any such reversal or modification the Authority will meet the test for incurring \$1 (one dollar) of additional Senior Sales Tax Bonds set forth in the Sales Tax Bond Trust Agreement. (*Section 605*).

### ***Accounts and Reports***

The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of the Funds established by this Trust Agreement, and which shall at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than twenty-five percent (25%) in principal amount of the Senior Sales Tax Bonds then Outstanding and twenty-five percent (25%) in principal amount of Subordinated Sales Tax Bonds Outstanding or their representatives duly authorized in writing. The Authority shall cause such books and accounts to be audited annually after the end of its Fiscal Year by an independent public accountant selected by the Authority and shall furnish to the Trustee a copy of the report of such audit. Such audit report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions hereof and of each Supplemental Trust Agreement; a statement of the Pledged Revenues collected in connection herewith and with each Supplemental Trust Agreement; a statement of the balances in the Senior Debt Service Reserve Fund and in the Subordinated Debt Service Reserve Fund.

The reports, statements and other documents required to be furnished by the Authority to the Trustee pursuant to any provisions of this Trust Agreement shall be available for the inspection of Bondowners at the office of the Trustee. The Trustee shall have no obligation to review any such reports, statements or documents or otherwise determine if the Authority has complied with its obligations under Section 606(1). Delivery of such reports, statements or documents shall not constitute constructive notice of any information contained therein or determinable from information contained therein. (*Section 606*).

### ***Tax Covenant***

The Authority shall take, or require to be taken, such action as may from time to time be required to assure the continued exclusion from the federal gross income of holders of any Series of Sales Tax Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes. The Authority shall not permit the investment or application of the proceeds of any Series of Sales Tax Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes, including any funds considered proceeds within the meaning of section 148 of the Code, to be used to acquire any investment property the acquisition of which would cause such Sales Tax Bonds to be “arbitrage bonds” within the meaning of said section 148. (*Section 607*).

### ***Funding of Deficiency Fund and Capital Maintenance Fund***

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

### ***General***

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

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

For the purpose of performing and carrying out the duties imposed on the Authority by the Sales Tax Bond Trust Agreement, the Authority may employ any individual, firm or corporation it deems necessary to fulfill its responsibilities under the Act and the Sales Tax Bond Trust Agreement. (*Section 609*).

### ***Trustee and Paying Agent***

State Street Bank and Trust Company is appointed Trustee under the Sales Tax Bond Trust Agreement. The Authority may appoint one or more Paying Agents for Sales Tax Bonds of any Series in the Supplemental Trust Agreement authorizing such Sales Tax Bonds, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in the Sales Tax Bond Trust Agreement for a successor Paying Agent. The Trustee may be appointed as Paying Agent. The Trustee may at any time resign and be discharged of the duties and obligations created by the Sales Tax



Bond Trust Agreement by giving not less than 30 days' written notice to the Authority and the registered owners of the Sales Tax Bonds. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Senior Sales Tax Bonds and the Subordinated Sales Tax Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Sales Tax Bonds held by or for the account of the Authority. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Sales Tax Bond Trust Agreement with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Authority or the holders of not less than 25% in aggregate principal amount of Senior Sales Tax Bonds Outstanding and not less than 25% in aggregate principal amount of Subordinated Sales Tax Bonds Outstanding. Notwithstanding the foregoing provisions, at the end of the fifth Fiscal Year following the Fiscal Year in which the first series of Sales Tax Bonds is issued under the Sales Tax Bond Trust Agreement, and at the end of every fifth Fiscal Year thereafter, the Authority may remove the Trustee, except during the existence of an Event of Default, upon 120 days' written notice to the trustee by filing with the Trustee an instrument signed by an Authorized Representative of the Authority. Any Successor Trustee shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having a capital and surplus aggregating at least \$100,000,000. (*Sections 701, 702, 707, 708 and 709*).

### ***Supplemental Trust Agreements Not Requiring Consent of Bondowners***

The Authority and the Trustee to the Sales Tax Bond Trust Agreement may without the consent of, or notice to, any of the holders of the Sales Tax Bonds enter into agreements supplemental to the Sales Tax Bond Trust Agreement as shall not, in their opinion, be inconsistent with the terms and provisions of the Sales Tax Bond Trust Agreement for any one or more of the following purposes and at any time or from time to time:

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

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

(3) to modify any of the provisions of the Sales Tax Bond Trust Agreement in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Sales Tax Bonds of any Series affected by the amendment Outstanding at the date of the execution and delivery of such Supplemental Trust Agreement shall cease to be Outstanding, and (ii) such Supplemental Trust Agreement shall be specifically referred to in the text of all Sales Tax Bonds of any Series authenticated and delivered after the date of the execution and delivery of such Supplemental Trust Agreement and of Sales Tax Bonds issued in exchange therefor or in place thereof;

(4) to modify the definition of Investment Obligations as directed by the Authority, provided that the Authority shall have provided evidence to the Trustee that the details of such modification have been provided in writing to each Rating Agency then assigning a rating on Outstanding Sales Tax Bonds

and that each such Rating Agency has either (i) confirmed in writing that such modification will not adversely affect such ratings or (ii) issued a rating on a Series of Sales Tax Bonds to be issued which is not lower than the rating assigned by such Rating Agency to Outstanding Sales Tax Bonds prior to such modification, or any other evidence satisfactory to the Trustee that modification will not adversely affect the then current ratings, if any, assigned to the Sales Tax Bonds by any Rating Agency;

(5) to subject to the lien of the Sales Tax Bond Trust Agreement additional revenues, security or collateral;

(6) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Sales Tax Bond Trust Agreement;

(7) to insert such provisions clarifying matters or questions arising under the Sales Tax Bond Trust Agreement as are necessary or desirable and are not contrary to or inconsistent with the Sales Tax Bond Trust Agreement as theretofore in effect;

(8) to authorize the issuance of bonds, notes or any other obligation entitled to a lien on Pledged Revenues or the Funds and Accounts under the Sales Tax Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement; or

(9) to provide for additional duties of the Trustee. (*Section 801*).

#### ***Supplemental Trust Agreements Effective with Consent of Bondowners***

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

#### ***Amendments***

Any modification or amendment of the Sales Tax Bond Trust Agreement and of the rights and obligations of the Authority and of the Owners of the Sales Tax Bonds and coupons thereunder may be made by a Supplemental Trust Agreement, with the written consent given as provided in the Sales Tax Bond Trust Agreement, (i) of the Owners of at least a majority in principal amount of the Senior Sales Tax Bonds Outstanding or, if no Senior Sales Tax Bonds are Outstanding, at least a majority in principal amount of the Subordinated Sales Tax Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the Senior Sales Tax Bonds, or if no Senior Sales Tax Bonds are Outstanding, less than all of the Subordinated Sales Tax Bonds, then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in principal amount of the Senior Sales Tax Bonds, or if no Senior Sales Tax Bonds are Outstanding, Subordinated Sales Tax Bonds, of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Sales Tax Bonds remain Outstanding, the consent of the Owners of such Sales Tax Bonds shall not be required and such Sales Tax Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Sales Tax Bonds under this heading. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Senior Sales Tax Bond or any Outstanding Subordinated Sales Tax Bond or of any installment of interest thereon or a reduction in the principal amount, Accreted Value or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner

of such Sales Tax Bond, or shall reduce the percentages or otherwise affect the classes of Sales Tax Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this paragraph, a Series shall be deemed to be affected by a modification or amendment of the Sales Tax Bond Trust Agreement if the same adversely affects or diminishes the rights of the Owners of Sales Tax Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, Sales Tax Bonds of any particular Series or maturity would be affected by any modification or amendment of the Sales Tax Bond Trust Agreement. Any such determination may be based upon the written advice of Bond Counsel, if so requested by the Trustee, and shall be binding and conclusive on the Authority and all Owners of Sales Tax Bonds. For purposes of the provisions under this heading, the Owners of the Sales Tax Bonds may include the initial holders thereof, regardless of whether such Sales Tax Bonds are being held for immediate resale. (*Section 902*).

### ***Events of Default***

The occurrence of any one or more of the following events shall constitute an Event of Default under the Sales Tax Bond Trust Agreement:

- (1) The Authority shall fail to make payment of the principal of any Sales Tax Bond when the same shall become due and payable, either at maturity or scheduled redemption; or
- (2) The Authority shall fail to make payment of any installment of interest on any Sales Tax Bonds when the same shall become due and payable; or
- (3) The Authority shall default in the observance or performance of any other covenants or agreements on the part of the Authority contained in the Sales Tax Bond Trust Agreement, and such default shall continue for ninety (90) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Sales Tax Bonds then Outstanding. (*Section 1001*).

### ***Remedies***

Upon the occurrence and during the continuation of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Senior Sales Tax Bonds or Subordinated Sales Tax Bonds then Outstanding under the Sales Tax Bond Trust Agreement shall proceed to protect and enforce its rights and the rights of the Bondowners under the laws of the Commonwealth or under the Sales Tax Bond Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board of officer having jurisdiction, either for the specific performance of any covenant or agreement contained in Sales Tax Bond Trust Agreement or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. The Trustee shall not be required to take any remedial action (other than the giving of notice) unless indemnity satisfactory to the Trustee is furnished for any liability to be incurred thereby; provided that, without in any way limiting the foregoing, any indemnity that would otherwise be provided by the USDOT Lender shall instead be provided by the Authority on behalf of the USDOT Lender in any case where the USDOT Lender would be required to provide indemnification (other than in respect of any liability determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or

willful misconduct of the USDOT Lender). *[Proviso in the second sentence effective so long as the USDOT Sales Tax Bonds are Outstanding.]*. (Section 1002).

### ***Trustee for Subordinated Bondowners***

During any period in which an Event of Default shall have occurred and be continuing if there shall be Outstanding under the Sales Tax Bond Trust Agreement Subordinated Sales Tax Bonds and Senior Sales Tax Bonds, the registered owners of the Subordinated Sales Tax Bonds shall be entitled to the appointment of a trustee to act on their behalf in any suit, action or proceeding under the Sales Tax Bond Trust Agreement and to otherwise exercise on their behalf any of their rights thereunder; provided, however, that such trustee shall not be entitled to hold any Funds or Accounts under the Sales Tax Bond Trust Agreement which shall continue to be held thereunder by the Trustee. During such period the Trustee under the Sales Tax Bond Trust Agreement shall then act exclusively on behalf of the registered owners of Senior Sales Tax Bonds Outstanding; provided, however, the Trustee shall continue to bear its fiduciary obligation to all Bondholders as provided in the Sales Tax Bond Trust Agreement with respect to any Funds or Accounts or any other amounts held in trust under the Sales Tax Bond Trust Agreement. Any such trustee may be appointed with the consent of a majority in principal amount Outstanding of Subordinated Sales Tax Bonds. Notice of the appointment of any such trustee shall be given to the Trustee and the Authority promptly upon such appointment and to all registered owners of Subordinated Sales Tax Bonds. (Section 1003).

### ***Application of Pledged Revenues and Other Moneys After Default***

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

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

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

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

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

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

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

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

(c) If the Trustee shall have received a certificate from the trustee under the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, to such trustee the amount set forth in such certificate.

(d) To the applicable trustee or custodian for Prior Obligations, the amount set forth in a certificate of an Authorized Officer for the payment of Prior Obligations.

(e) To the payment of General Fund Expenses and General Fund Indebtedness.

Notwithstanding the foregoing, in the event that by April 1 of any year, commencing April 1, 2001, the Authority is otherwise unable to make the certification required under Section 35T that it has made provision in its annual budget under the Act for sufficient amounts to be available in the next Fiscal Year to meet the Prior Obligations without changing the priority of payment of the Prior Obligations in accordance with this sentence, the deposit required pursuant to paragraph (d) above shall be made prior to the deposit required pursuant to clause (a) during the following Fiscal Year; provided, however, that if during such Fiscal Year the Authority shall adopt a supplemental budget which would permit the Authority to be able to make such certification without changing such priority as aforesaid, the deposit required pursuant to clause (d) shall not be required to be paid prior to the deposit under clause (b) for the remainder of such Fiscal Year. (*Section 1004*).

### ***Defeasance***

(1) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Sales Tax Bonds then Outstanding, the principal and interest and Redemption Price to become due thereon, at the times and in the manner stipulated therein and in the Sales Tax Bond Trust Agreement, then, at the option of the Authority, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Authority to the Bondowners shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Authority all money, securities and funds held by them pursuant to the Sales Tax Bond Trust Agreement which are not

required for the payment or redemption of Sales Tax Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, to the Owners of any Outstanding Sales Tax Bonds the principal or Redemption Price and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Sales Tax Bond Trust Agreement, such Sales Tax Bonds shall cease to be entitled to any lien, benefit or security under the Sales Tax Bond Trust Agreement, and all covenants, agreements and obligations of the Authority to the Owners of such Sales Tax Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision of the Sales Tax Bond Trust Agreement, certain provisions, including those related to redemption of Sales Tax Bonds, execution and authentication of Sales Tax Bonds, satisfaction of Sinking Fund Installments, appointment of Trustee and Paying Agents, and compensation of Fiduciaries, (in the case of each of the foregoing, such survival shall continue only until such Sales Tax Bonds are in fact paid), and shall, within limits survive the defeasance of the Sales Tax Bonds.

(2) Sales Tax Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be defeased. Subject to the provisions of paragraphs (3) through (7) under this heading, any Outstanding Sales Tax Bond shall prior to the maturity or redemption date thereof be defeased if (a) in case any of said Sales Tax Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions accepted in writing by the Trustee to mail as provided in the Sales Tax Bond Trust Agreement notice of redemption of such Sales Tax Bonds (other than Sales Tax Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Obligations (as hereinafter defined) including any Investment Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Sales Tax Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Sales Tax Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Sales Tax Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day on the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Trustee and that said Sales Tax Bonds are deemed to have been defeased and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraphs (7) and (8) under this heading, to be available for the payment of the principal or Redemption Price, if applicable, on said Sales Tax Bonds (other than Sales Tax Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). The Trustee shall, as and to the extent necessary, apply moneys held by it under this heading to the retirement of said Sales Tax Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Sales Tax Bonds, all in the manner provided in the Sales Tax Bond Trust Agreement. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of defeased Sales Tax Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the time of the mailing of the notice referred to in clause (a) above with respect to any defeased Sales Tax Bonds which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect to such Sales Tax Bonds and redeem or sell Investment Obligations so deposited with the Trustee and apply the proceeds thereof to the purchase of such Sales Tax Bonds as arranged and directed by the Authority and the Trustee shall immediately thereafter cancel all such Sales Tax Bonds so purchased; provided, however, that the moneys

and Investment Obligations remaining on deposit with the Trustee after the purchase and cancellation of such Sales Tax Bonds shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all remaining Sales Tax Bonds, in respect of which such moneys and Investment Obligations are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be.

If, at any time (i) prior to the maturity date of defeased Sales Tax Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any defeased Sales Tax Bonds which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Sales Tax Bonds and deliver such Sales Tax Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Sales Tax Bonds so delivered; such delivery of Sales Tax Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Sales Tax Bonds are to be applied against the obligation of the Trustee to pay or redeem defeased Sales Tax Bonds; all in accordance with the Sales Tax Bond Trust Agreement.

In the event that on any date as a result of any purchases, acquisitions and cancellations of Sales Tax Bonds, the total amount of moneys and Investment Obligations remaining on deposit with the Trustee under this heading is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Sales Tax Bonds in order to defease such Sales Tax Bond, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security, interest, pledge or assignment securing said Sales Tax Bonds or otherwise existing under the Sales Tax Bond Trust Agreement. Except as otherwise provided in paragraph (2) and paragraphs (3) through (8) under this heading, neither Investment Obligations nor moneys deposited with the Trustee pursuant to the provisions under this heading nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Sales Tax Bonds; provided that any cash received from such principal or interest payment on such Investment Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Sales Tax Bonds or otherwise existing under the Sales Tax Bond Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Sales Tax Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Sales Tax Bonds or otherwise existing under the Sales Tax Bond Trust Agreement. For the purposes of the provisions under this heading, Investment Obligations shall mean and include only (x) such securities as are described in clauses (i), (v) (to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating Agency), (vi) and (viii) of the definition of "Investment Obligations" which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof, (y) such securities as are described in clause (ii) of the definition of Investment Obligations which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Owner thereof, or (z) upon compliance with the provisions of paragraph (5) under this heading, such securities as are described in clauses (i), (v) to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating

Agency, (vi) or (viii) of the definition of Investment Obligations which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

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

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

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

(6) In the event that after compliance with the provisions of paragraph (5) under this heading the Investment Obligations described in clause (z) of paragraph (2) under this heading are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of paragraph (2) under this heading and any such Investment Obligations are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority, provided that the aggregate of the moneys and Investment Obligations to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the



Authority in accordance with paragraph (7) under this heading, shall at all times be sufficient to satisfy the requirements of clause (b) of paragraph (2) under this heading, shall reinvest the proceeds of such redemption in Investment Obligations.

(7) In the event that after compliance with the provisions of paragraph (5) under this heading the Investment Obligations described in clause (z) of paragraph (2) under this heading are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of paragraph (2) the provisions under this heading, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all or any portion of the Sales Tax Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Sales Tax Bonds deemed to have been paid in accordance with the provisions under this heading upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Obligations described in clause (z) of paragraph (2) under this heading have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Obligations on deposit with the Trustee including any Investment Obligations deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with paragraph (6) pursuant to clause (b) of paragraph (2) under this heading would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Sales Tax Bonds deemed to have been paid in accordance with the provisions under this heading which have not as yet been paid.

(8) Unless waived by the Authority at the time Sales Tax Bonds are defeased, at any time prior to the actual mailing of any applicable notice of redemption any redemption date or dates in respect of all or any portion of the Sales Tax Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and redemption dates may be established for any Sales Tax Bonds deemed to have been defeased upon their maturity date or dates in both cases in accordance with the Assessment Bond Trust Agreement.

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

(10) Anything in the Sales Tax Bond Trust Agreement to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Sales Tax Bonds which remain unclaimed for three years (or such other period as may from time to time be prescribed by the laws of the Commonwealth, provided that if no period is so prescribed, such period shall be three years) after the date when such Sales Tax Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Sales Tax Bonds became due and payable, shall automatically revert from the Fiduciary to the Commonwealth once the Fiduciary has complied with the publication and reporting requirements as prescribed in accordance with the laws of the Commonwealth; provided, however, if no provision of Commonwealth law shall require that such funds be paid to the Commonwealth, such moneys shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the

Bondowners shall look only to the Commonwealth, if paid to the Commonwealth, or the Authority, if paid to the Authority, for the payment of such Sales Tax Bonds.

(11) Anything in the Sales Tax Bond Trust Agreement to the contrary notwithstanding, agreements and obligations of the Authority under the Sales Tax Bond Trust Agreement shall not be discharged and satisfied until all outstanding payment obligations to the provider of any surety bond, insurance policy, letter of credit or other similar obligation held in the Senior Debt Service Reserve Fund shall have been satisfied.

(12) Notwithstanding the foregoing, in order for all or a portion of the the 2018 Series A Bonds (other than 2018 Series A Bonds that have been converted to bear interest at a Fixed Rate) to be deemed to have been paid within the meaning and with the effect expressed in subsection 1 under this heading, in addition to the other requirements under this heading (i) the Trustee shall have received (a) a report verifying that the moneys and Investment Obligations are sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such 2018 Series A Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (b) an Opinion of Counsel that such 2018 Series A Bonds are deemed paid within the meaning and with the effect expressed in subsection 1 under this heading, and (ii) Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 under this heading shall be limited to such securities as are described in clause (i) of the definition of such term in the Trust Agreement and such Investment Obligations shall mature within the lesser of (x) the date on which the moneys invested in such Investment Obligations are required and (y) thirty (30) days. (*Section 1005*).

## APPENDIX C

*Upon the delivery of the Bonds, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Authority, propose to deliver their opinion in substantially the following form:*



One Financial Center  
Boston, MA 02111  
617 542 6000  
mintz.com

[Date of Delivery]

Massachusetts Bay Transportation Authority  
10 Park Plaza  
Boston, Massachusetts 02116

Re: Massachusetts Bay Transportation Authority Assessment Bonds,  
2022 Series A

We have acted as bond counsel to the Massachusetts Bay Transportation Authority (the "Authority") in connection with the issuance by the Authority of its Assessment Bonds, 2022 Series A, consisting of Subseries A-1 and Subseries A-2 (Sustainability Bonds) (together, the "Bonds"), dated the date of initial delivery thereof. The Bonds are being issued pursuant to Chapter 161A of the Massachusetts General Laws, as amended (the "Act"), and the Assessment Bond Trust Agreement dated as of July 1, 2000 by and between the Authority and State Street Bank and Trust Company, predecessor to U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), as amended and restated as of April 1, 2022 and as supplemented by the Twelfth Supplemental Trust Agreement, dated as of April 1, 2022, by and between the Authority and the Trustee (collectively the "Trust Agreement"). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

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

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

1. The Authority is duly created and validly existing as a body politic and corporate and a political subdivision of The Commonwealth of Massachusetts (the "Commonwealth") with the corporate power to enter into the Trust Agreement, perform the agreements on its part contained therein and issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding special obligations of the Authority enforceable in accordance with their terms. The Bonds are secured by the Trust Agreement and a pledge of the Pledged Revenues (as defined in the Trust Agreement) received by or for the account of the Authority and amounts on deposit in the funds and accounts pledged as security therefor under the Trust Agreement. The Trust Agreement creates the valid pledge and lien which it purports to create for the benefit

of the holders of the Bonds, subject to the application of such Pledged Revenues and amounts to the purposes and on the conditions permitted by the Trust Agreement.

3. The Trust Agreement and the Sales Tax Bond Trust Agreement have been duly and lawfully authorized, executed and delivered, are in full force and effect and are valid and binding agreements of the Authority enforceable upon the Authority in accordance with their respective terms.
4. Interest on the Bonds, including any original issue discount properly allocable to the owners thereof, is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds will not constitute a preference item for purposes of computation of the alternative minimum tax. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Authority with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon is and continues to be excluded from gross income for federal income tax purposes. The Authority has covenanted to comply with all such requirements. Failure by the Authority to comply with certain of such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion as to any other federal tax consequences resulting from holding the Bonds.
5. Interest on the Bonds, and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion as to any other Massachusetts tax consequences resulting from holding the Bonds nor as to the taxability of the Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of any state other than Massachusetts.

It should be understood that the rights of the holders of the Bonds, and the enforceability of the Bonds, the Trust Agreement and the Sales Tax Bond Trust Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Massachusetts Bay Transportation Authority  
Assessment Bonds  
2022 Series A  
(the “Bonds”)

Continuing Disclosure Undertakings

***Authority Disclosure Agreement***

Prior to the issuance of the Bonds, the Authority and the U.S. Bank Trust Company, National Association, as dissemination agent (the “Dissemination Agent”) will enter into a continuing disclosure agreement (the “Authority Disclosure Agreement”) setting forth the undertakings of the Authority regarding continuing disclosure with respect to the Bonds. In the Authority Disclosure Agreement, the Authority will undertake for the benefit of the registered owners and beneficial owners (the “owners”) of the Bonds to provide to the Dissemination Agent, no later than 335 days after the end of each fiscal year, (i) the quantitative information for the preceding fiscal year of the type presented in the Official Statement for the Bonds regarding (a) the Dedicated Sales Tax, (b) Assessments, (c) outstanding indebtedness, (d) capital plan, (e) total revenues and operating expenses and (ii) audited financial statements of the Authority for such fiscal year (or unaudited financial statements if such audited financial statements are not then available), or (iii) notice of the Authority’s failure, if any, to provide such information. The Dissemination Agent agrees to forward the information set forth above, no later than 350 days after the end of each fiscal year, to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). If audited financial statements are not available from the Authority within the 335-day period described above, the Authority agrees to deliver to the Dissemination Agent such audited financial statements as soon as practicable after the audited financial statements become available and the Dissemination Agent undertakes to forward the audited financial statements to the MSRB as soon as practicable after the audited financial statements become available under the Authority Disclosure Agreement.

Any or all of the items listed above may be included by reference to other documents, including official statements pertaining to debt issued by the Authority, which have been submitted to the MSRB. The Authority’s annual financial statements for each fiscal year shall consist of the balance sheet of the Authority and the related statements of revenue and expenses, and cash flows prepared in accordance with generally accepted accounting principles in effect from time to time. Such financial statements shall be audited by a firm of certified public accountants appointed by the Authority.

In the Authority Disclosure Agreement, the Authority also will undertake for the benefit of the owners of the Bonds to provide to the MSRB in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of owners of the Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation\* of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation<sup>1</sup> of the Authority, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation<sup>1</sup> of the Authority, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

Nothing in the Authority Disclosure Agreement shall preclude the Authority from disseminating any information in addition to that required under the Authority Disclosure Agreement. If the Authority disseminates any such additional information, nothing in the Authority

---

\* As noted in the Rule, the term “financial obligation” means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) a guaranty of an instrument described in (i) or (ii). The term does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Disclosure Agreement shall obligate the Authority to update such information or include it in any future materials disseminated.

To the extent permitted by law, the provisions of the Authority Disclosure Agreement shall be enforceable against the Authority in accordance with the terms thereof by any owner of a Bond, including any beneficial owner acting as a third-party beneficiary (upon proof of its status as a beneficial owner reasonably satisfactory to the Dissemination Agent). To the extent permitted by law, any such owner shall have the right, for the equal benefit and protection of all owners of the Bonds, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the Authority and to compel the Authority and any of its officers, agents or employees to perform and carry out their duties under the foregoing provisions as aforesaid, provided, however, that the sole remedy in connection with such undertakings shall be limited to an action to compel specific performance of the obligations of the Authority in connection with such undertakings and shall not include any rights to monetary damages. The Authority's obligations in respect of the Authority Disclosure Agreement shall terminate if no Bonds remain outstanding (without regard to an economic defeasance) or if the provisions of the Rule concerning continuing disclosure are no longer effective, whichever occurs first. The provisions of the Authority Disclosure Agreement may be amended by the Authority and the Dissemination Agent, without the consent of, or notice to, any owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional), (b) to add a dissemination agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Authority for the benefit of the owners of the Bonds, (d) to modify the contents, presentation and format of the annual financial information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner responding to the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the owners of the Bonds, as determined either by a party unaffiliated with the Authority (such as Authority bond counsel) or by the vote or consent of owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

### ***The City of Boston Disclosure Agreement***

Prior to the issuance of the Bonds, the Authority and the City of Boston, Massachusetts, (the "City"), acting by and through its Chief Financial Officer and Collector-Treasurer, will enter into a continuing disclosure agreement (the "City of Boston Disclosure Agreement") under which the City will undertake for the benefit of the owners of the Bonds to provide to the MSRB, within the meaning of the Rule, no later than 365 days after the end of each fiscal year of the City (i) the quantitative information for the preceding fiscal year of the type presented in the City's Official Statement dated March 30, 2022, relating to its General Obligation Bonds, 2022 Series A, regarding (a) the revenues and expenditures of the City relating to its operating budget, (b) capital expenditures, (c) fund balances, (d) property tax information, (e) outstanding indebtedness and overlapping debt of the City, (f) pension obligations of the City and (g) other post-employment benefits liability of the City, and (ii) the most recently available audited financial statements of the City, prepared in accordance with generally accepted accounting principles, with certain exceptions permitted by the Massachusetts Uniform Municipal Accounting System promulgated by the

Department of Revenue of the Commonwealth (except for the omission, if any, of a statement of fixed assets).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements pertaining to debt issues by the City, which have been submitted to the public on the MSRB internet website. If the document incorporated by reference is a final official statement within the meaning of the Rule, it will also be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

In the City of Boston Disclosure Agreement, the City also will undertake for the benefit of the owners of the Bonds to provide to the MSRB in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any of the following significant events:

- (i) bankruptcy, insolvency, receivership or similar event of the City;
- (ii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (iii) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Bondholders, if material; and
- (iv) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

In the event of a failure of the City to comply with any provision of the City of Boston Disclosure Agreement, any owner of a Bond may seek a court order for specific performance by the City of its obligations under this City of Boston Disclosure Agreement; provided, however, that the sole remedy under the City of Boston Disclosure Agreement in the event of any failure of the City to comply with the City of Boston Disclosure Agreement shall be an action for specific performance of the City's obligations thereunder and not for money damages in any amount. The City's obligations under the City of Boston Disclosure Agreement shall terminate upon the legal defeasance in accordance with the terms of the Bonds, prior redemption or payment in full of the Bonds.

The City may amend the City of Boston Disclosure Agreement and any provision of the City of Boston Disclosure Agreement may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may include bond counsel to the City), to the effect that such amendment or waiver would not cause the City of Boston Disclosure Agreement to violate the Rule. The first annual filing made to the MSRB after enactment of any amendment to or waiver of the City of Boston Disclosure Agreement shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in such annual filing. If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the annual filing for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial



information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

[THIS PAGE INTENTIONALLY LEFT BLANK]

The table beginning on the following page contains a listing of the 176 assessed cities and towns and historical information about Local Aid and assessments (including Assessments) in Fiscal Years 1985, 1990 and 1998 through 2022. Beginning in Fiscal Year 2006, Local Aid, as shown in the table, does not include school building assistance grants and payments relating to school building projects maintained on a waiting list, both of which are now payable by the Massachusetts School Building Authority rather than the Commonwealth. The amount of such grants and waiting list payments in Fiscal Years 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 were approximately \$413.35 million, \$424.79 million, \$481.84 million, \$403.09 million, \$467.64 million, \$398.25 million, \$431.82 million, \$341.22 million, \$226.51, \$214.24 million, \$201.23 million, \$218.48 million, \$146.38 million, \$128.91 million, \$98.71 million and \$65.82 million, respectively. The Fiscal Year 2022 estimated annual prior grant and waiting list payments are approximately \$34.3 million.

Under the Prior Act, specified cities and towns were assessed to reimburse the Commonwealth for cash advances made to pay the Authority's Net Cost of Service on account of prior fiscal periods. The amount of assessments for any particular period varied, depending on the amount of the Net Cost of Service for that period and offsetting state appropriations, among other things. The Enabling Act increased the number of assessed cities and towns from 78 to 175 commencing in Fiscal Year 2002 (the number was increased to 176 in 2015). Beginning in Fiscal Year 2006, Assessments cannot be less than \$136,026,868 and are adjusted each year thereafter for inflation, provided that such amount shall not increase by more than 2.5% per year. Under a transition provision, the Assessments paid by the previously assessed 78 cities or towns for Fiscal Year 2001 were frozen at the Fiscal Year 2000 level (\$144,578,734). Beginning in Fiscal Year 2002 and each Fiscal Year thereafter through Fiscal Year 2006, Assessments were reduced in five equal installments, while, commencing with Fiscal Year 2002, the additional cities and towns (labeled "Other Served Communities" in the following table) were assessed and their portion of the Assessments were increased through Fiscal Year 2006 in five equal installments. In each case, individual Assessments are determined according to a weighted population formula. Beginning in Fiscal Year 2002, cities and towns that are also assessed for regional transit authority expenses received a dollar-for-dollar credit against the Assessments, but this has had no effect on the total amount assessed for the Authority because the credited amounts have been re-assessed on the 14 cities and towns and the 51 cities and towns. See "ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS."













Municipality	FY2016				FY2015				FY2014			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
DUXBURY	5,914	470	0	5,444	5,897	532	0	5,365	5,742	424	0	5,318
EAST BRIDGEWATER	12,128	361	50	11,717	11,898	301	59	11,539	11,787	265	55	11,488
EASTON	12,092	688	148	11,255	11,912	604	144	11,164	11,722	563	144	11,015
ESSEX	271	69	21	181	251	68	21	162	241	66	21	154
FITCHBURG	56,545	5,822	0	50,723	55,768	5,497	0	50,271	54,545	5,303	0	49,242
FOXBOROUGH	10,622	1,931	0	8,690	10,309	1,775	0	8,534	10,351	1,900	0	8,451
FRANKLIN	30,642	5,129	0	25,513	30,600	4,999	0	25,601	30,424	4,888	1	25,534
FREETOWN	1,649	203	31	1,415	1,590	197	35	1,358	1,529	195	35	1,298
GEORGETOWN	6,389	276	50	6,063	6,277	292	49	5,936	6,236	349	46	5,841
GLOUCESTER	10,498	2,100	0	8,399	10,353	2,046	0	8,307	10,274	3,737	0	6,537
GRAFTON	12,474	774	73	11,627	12,259	690	114	11,455	12,049	744	112	11,192
GROTON	857	77	5	775	829	107	0	722	819	104	0	714
GROVELAND	885	37	43	804	852	37	42	773	845	99	41	706
HALIFAX	3,764	79	50	3,635	3,707	79	49	3,579	3,637	75	49	3,513
HANOVER	8,834	563	24	8,246	8,736	555	46	8,135	8,579	478	91	8,010
HANSON	1,371	78	68	1,225	1,312	78	67	1,167	1,265	75	67	1,123
HARVARD	3,622	809	31	2,782	3,602	756	32	2,814	3,527	664	32	2,830
HAVERTHILL	57,301	4,970	0	52,331	55,670	5,010	0	50,660	54,319	5,443	0	48,876
HOLDEN	1,976	31	104	1,840	1,910	40	92	1,777	1,846	39	90	1,717
HOLLISTON	9,779	249	46	9,484	9,392	319	47	9,027	9,198	247	50	8,901
HOPKINTON	7,072	517	93	6,462	6,976	477	90	6,408	6,906	476	88	6,342
IPSWICH	5,582	270	51	5,262	5,558	268	52	5,239	5,427	437	50	4,940
KINGSTON	5,471	343	0	5,128	5,451	284	0	5,166	5,332	214	2	5,116
LAKEVILLE	1,231	151	26	1,054	1,210	145	27	1,038	1,027	140	27	861
LANCASTER	1,090	92	28	970	1,050	94	29	927	1,041	93	30	918
LAWRENCE	199,347	21,261	0	178,086	191,184	19,741	0	171,443	179,658	17,778	0	161,880
LEICESTER	11,950	476	0	11,475	11,726	423	0	11,303	11,639	483	0	11,156
LEOMINSTER	51,123	3,635	0	47,488	50,986	3,695	0	47,291	50,432	3,687	0	46,746
LITTLETON	5,019	1,003	39	3,977	5,043	1,012	40	3,991	4,888	959	36	3,894
LOWELL	164,224	20,827	0	143,397	163,240	18,111	0	145,129	157,740	16,585	0	141,155
LUNENBURG	7,518	1,265	39	6,215	7,195	1,076	37	6,081	6,855	1,130	32	5,693
MANSFIELD	20,854	2,350	0	18,505	20,637	2,297	0	18,340	20,642	2,433	0	18,208
MARLBOROUGH	29,309	6,777	0	22,532	25,289	5,589	3	19,697	24,334	4,686	15	19,633
MARSHFIELD	16,534	822	0	15,712	16,374	876	0	15,498	16,255	850	0	15,405
MAYNARD	6,384	520	0	5,864	6,014	452	0	5,563	5,798	459	0	5,339
MEDWAY	11,837	714	1	11,122	11,728	696	5	11,027	11,657	696	7	10,955
MERRIMAC	893	82	0	811	880	84	0	796	792	156	0	636
METHUEN	46,850	1,655	0	45,195	46,487	1,449	0	45,037	45,741	1,885	0	43,856
MIDDLEBOROUGH	20,719	892	0	19,827	20,511	772	0	19,739	20,286	696	1	19,589
MILLBURY	8,767	327	0	8,440	8,705	356	0	8,349	8,523	301	0	8,222
MILLIS	6,103	306	29	5,767	6,031	278	43	5,711	5,898	278	40	5,580
NEWBURY	823	103	44	676	800	103	43	654	736	126	43	566
NEWBURYPORT	7,395	2,647	5	4,744	7,362	2,609	6	4,747	7,492	2,625	9	4,858
NORTH ANDOVER	10,361	354	78	9,929	9,643	392	68	9,183	9,383	1,030	72	8,281
NORTH ATTLEBOROUGH	23,321	3,537	0	19,784	23,045	3,405	0	19,640	22,825	3,056	0	19,769
NORTH READING	8,696	57	101	8,538	8,574	42	99	8,433	8,404	109	98	8,197
NORTHBOROUGH	4,995	199	74	4,722	4,928	228	72	4,628	4,845	301	69	4,475
NORTHBRIDGE	18,054	862	47	17,145	17,916	750	104	17,063	17,790	662	103	17,025
NORTON	14,867	2,216	29	12,622	14,690	2,395	30	12,265	14,565	2,445	31	12,089
NORWELL	4,491	1,101	70	3,320	4,408	1,074	69	3,265	4,286	1,134	69	3,082
PAXTON	625	21	24	580	607	27	32	549	593	21	31	540
PEMBROKE	14,965	616	0	14,350	14,897	653	0	14,244	14,815	605	0	14,210
PLYMOUTH	30,377	8,636	0	21,742	30,010	7,758	8	22,244	29,585	7,244	27	22,314
PLYMPTON	1,025	63	19	943	981	54	19	908	919	35	19	865
PRINCETON	469	5	20	444	456	5	20	432	438	6	18	414
RAYNHAM	1,334	359	0	975	1,315	344	0	971	1,274	338	0	936
REHOBOTH	1,259	292	59	907	1,236	297	59	880	1,208	286	59	864
ROCHESTER	2,271	89	10	2,173	2,245	87	3	2,156	2,199	75	11	2,113
ROCKLAND	15,663	2,387	70	13,206	13,821	2,187	64	11,570	13,097	2,347	65	10,684
ROCKPORT	3,093	681	0	2,413	3,013	709	0	2,304	2,729	665	0	2,064
ROWLEY	680	61	40	580	640	61	39	540	583	99	38	446
SALISBURY	1,124	118	10	995	1,117	115	12	989	1,031	180	0	851
SCITUATE	7,245	484	47	6,714	7,085	430	47	6,607	6,958	345	119	6,494
SEEKONK	6,394	434	0	5,960	6,307	384	0	5,923	6,071	382	0	5,689
SHERBORN	781	43	28	710	783	44	27	711	735	57	25	654
SHIRLEY	1,393	23	35	1,335	1,348	23	34	1,291	1,299	24	32	1,243
SHREWSBURY	22,203	1,450	160	20,593	22,035	1,546	154	20,335	21,937	1,655	152	20,130
SOUTHBOROUGH	3,294	127	8	3,159	3,242	158	10	3,074	3,204	239	13	2,952
STERLING	724	22	37	665	690	20	40	631	685	21	38	626
STOUGHTON	18,614	3,330	46	15,238	18,162	3,094	43	15,025	17,815	2,930	39	14,846
STOW	426	89	6	331	407	85	12	310	401	87	7	307
SUDBURY	5,936	125	93	5,718	5,883	121	92	5,670	5,728	88	93	5,547
SUTTON	6,499	138	51	6,310	6,450	114	50	6,286	6,377	78	52	6,247
TAUNTON	62,457	1,661	0	60,796	59,529	1,648	0	57,880	56,836	1,660	0	55,177
TEWKSBURY	16,211	1,554	0	14,657	16,116	1,648	0	14,468	15,741	1,555	0	14,176
TOWNSEND	1,491	52	19	1,420	1,434	51	19	1,363	1,424	49	19	1,356
TYNGSBOROUGH	8,669	1,345	29	7,295	8,723	1,296	34	7,393	8,682	1,279	47	7,356
UPTON	718	7	50	660	694	7	50	637	634	8	49	577
WAREHAM	15,229	3,524	0	11,705	15,080	2,997	0	12,083	14,949	2,359	0	12,590
WAYLAND	4,667	43	67	4,557	4,581	56	66	4,459	4,218	93	67	4,059
WEST BOYLSTON	4,620	588	0	4,032	4,622	588	1	4,032	4,308	482	0	3,826
WEST BRIDGEWATER	5,087	525	36	4,526	4,940	579	31	4,330	4,728	489	31	4,208
WEST NEWBURY	357	44	29	284	355	44	28	283	342	93	28	221
WESTBOROUGH	6,440	485	65	5,890	6,375	265	119	5,990	5,988	238	119	5,631
WESTFORD	18,944	451	0	18,493	18,774	420	0	18,354	18,573	458	0	18,115
WESTMINSTER	832	37	20	775	789	34	22	733	853	37	19	796
WHITMAN	2,577	109	74	2,393	2,465	115	67	2,283	2,372	114	65	2,193
WORCESTER	274,831	31,142	0	243,689	262,172	30,557	0	231,615	262,735	30,250	0	232,485
WRENTHAM	4,711	468	0	4,243	4,592	357	0	4,235	4,529	350	0	4,179



Municipality	FY2013			FY2012			FY2011					
	Total Local Aid	All Other Assessments	Net Local Aid	Total Local Aid	All Other Assessments	Net Local Aid	Total Local Aid	All Other Assessments	Net Local Aid			
DUXBURY	5,517	363	2	5,152	5,344	309	1	5,034	5,342	220	33	5,089
EAST BRIDGEWATER	11,699	282	52	11,365	11,487	261	55	11,171	11,498	202	58	11,237
EASTON	11,593	533	144	10,916	11,316	539	143	10,634	11,366	497	147	10,723
ESSEX	234	7	21	206	230	7	19	204	251	7	19	225
FITCHBURG	53,446	5,346	0	48,100	49,632	5,255	0	44,377	49,100	4,918	0	44,181
FOXBOROUGH	10,232	1,904	0	8,329	9,906	1,761	7	8,137	9,961	1,682	15	8,264
FRANKLIN	30,308	4,814	23	25,471	30,032	4,684	22	25,326	30,136	4,396	54	25,685
FREETOWN	1,468	190	37	1,240	1,367	187	39	1,141	2,577	174	37	2,366
GEORGETOWN	6,181	373	48	5,760	6,058	352	48	5,659	6,147	270	45	5,832
GLOUCESTER	10,749	5,726	0	5,023	10,721	5,630	0	5,091	10,634	4,519	0	6,115
GRAFTON	10,521	711	112	9,698	10,028	696	107	9,225	10,122	480	108	9,534
GROTON	802	81	0	721	715	55	20	640	766	55	21	690
GROVELAND	820	111	41	669	778	110	43	624	832	124	39	669
HALIFAX	3,589	64	49	3,476	3,483	71	48	3,363	3,525	79	49	3,397
HANOVER	8,457	463	90	7,904	7,797	429	88	7,280	7,922	434	89	7,400
HANSON	1,234	73	66	1,095	1,147	68	63	1,016	1,228	65	63	1,100
HARVARD	3,607	593	34	2,980	3,291	590	29	2,672	3,429	616	29	2,784
HAVERTHILL	50,478	5,315	0	45,163	45,312	5,240	0	40,073	44,919	5,087	0	39,832
HOLDEN	1,836	36	91	1,708	1,701	34	89	1,578	1,808	33	86	1,689
HOLLISTON	9,122	309	52	8,761	8,561	372	53	8,136	8,628	374	54	8,201
HOPKINTON	6,784	492	88	6,204	6,517	531	83	5,903	6,637	538	82	6,016
IPSWICH	5,417	358	48	5,011	5,115	327	48	4,740	5,295	235	79	4,981
KINGSTON	5,284	182	10	5,092	5,075	176	7	4,892	4,932	182	15	4,735
LAKEVILLE	1,219	137	27	1,055	869	120	32	716	3,042	121	41	2,880
LANCASTER	996	88	31	876	948	85	22	841	994	83	24	887
LAWRENCE	173,014	16,459	0	156,554	163,778	13,494	0	150,284	154,539	17,371	0	137,168
LEICESTER	11,484	444	0	11,040	11,320	419	0	10,901	11,183	401	0	10,781
LEOMINSTER	49,730	3,400	0	46,330	47,994	3,226	0	44,768	46,196	2,922	0	43,274
LITTLETON	4,809	985	34	3,790	4,510	947	31	3,532	4,511	938	29	3,544
LOWELL	150,750	11,787	0	138,963	144,034	11,757	0	132,277	138,806	12,800	0	126,006
LUNENBURG	6,719	1,029	33	5,657	5,936	771	31	5,134	5,982	709	30	5,243
MANSFIELD	20,447	2,245	18	18,184	20,030	1,895	40	18,095	20,153	1,897	55	18,201
MARLBOROUGH	23,084	4,310	27	18,747	19,678	3,871	103	15,705	19,581	4,003	107	15,472
MARSHFIELD	16,084	683	6	15,395	15,751	670	5	15,076	15,880	549	79	15,253
MAYNARD	5,606	442	0	5,163	5,001	521	0	4,480	5,116	560	0	4,557
MEDWAY	11,495	684	15	10,796	11,282	618	0	10,664	11,190	604	3	10,583
MERRIMAC	760	166	0	594	710	176	0	534	740	153	6	582
METHUEN	44,484	1,701	0	42,783	43,774	1,630	0	42,145	43,944	1,484	0	42,460
MIDDLEBOROUGH	20,179	686	9	19,484	19,612	531	0	19,082	19,202	477	0	18,726
MILLBURY	8,394	268	40	8,086	8,203	286	40	7,877	8,291	306	43	7,942
MILLIS	5,813	314	41	5,458	5,448	324	41	5,083	5,225	314	43	4,868
NEWBURY	715	171	34	510	677	194	32	451	698	182	44	472
NEWBURYPORT	7,157	2,582	4	4,572	6,873	2,491	6	4,376	6,797	2,472	31	4,293
NORTH ANDOVER	9,074	1,696	71	7,307	8,195	1,809	72	6,314	8,345	2,007	62	6,277
NORTH ATTLEBOROUGH	22,648	2,799	2	19,848	22,173	2,678	0	19,495	22,324	2,946	0	19,378
NORTH READING	8,254	94	97	8,063	8,002	128	90	7,784	8,102	97	109	7,896
NORTHBOROUGH	4,777	235	75	4,466	4,439	301	75	4,062	4,572	404	76	4,092
NORTHBRIDGE	17,593	720	102	16,770	16,415	674	92	15,649	15,884	735	91	15,058
NORTON	14,457	2,572	33	11,852	14,522	2,799	16	11,708	14,635	2,641	20	11,975
NORWELL	4,153	1,047	68	3,038	3,948	1,105	64	2,779	3,965	961	65	2,939
PAXTON	578	21	31	525	546	29	30	487	574	27	29	518
PEMBROKE	14,686	510	0	14,176	14,362	402	7	13,953	14,373	361	51	13,961
PLYMOUTH	28,399	6,425	62	21,912	27,574	5,383	62	22,129	27,088	4,644	68	22,376
PLYMPTON	834	48	18	767	794	58	17	719	811	55	18	739
PRINCETON	427	6	18	402	405	5	19	381	418	4	19	394
RAYNHAM	1,251	326	0	925	1,186	319	0	868	1,216	297	8	911
REHOBOTH	1,153	282	59	812	1,061	277	55	728	1,136	245	56	834
ROCHESTER	2,176	72	1	2,102	2,126	66	0	2,060	2,135	63	2	2,070
ROCKLAND	12,973	2,219	85	10,669	12,543	2,049	96	10,399	12,650	2,135	113	10,401
ROCKPORT	2,613	615	0	1,998	2,557	731	0	1,826	2,389	596	0	1,793
ROWLEY	576	110	38	428	528	131	36	361	554	130	36	387
SALISBURY	986	141	44	801	924	129	40	755	977	157	26	795
SCITUATE	6,792	374	118	6,300	6,541	384	114	6,043	6,689	455	113	6,121
SEEKONK	5,820	362	0	5,458	5,396	357	0	5,039	5,441	324	0	5,116
SHERBORN	721	43	25	653	692	40	25	627	706	40	25	641
SHIRLEY	1,252	24	32	1,196	1,161	26	31	1,103	5,805	1,341	30	4,434
SHREWSBURY	21,790	1,750	150	19,890	21,543	1,869	114	19,560	21,675	1,641	116	19,918
SOUTHBOROUGH	3,155	216	17	2,922	3,072	295	15	2,763	3,157	345	16	2,796
STERLING	691	21	37	633	621	22	34	565	656	22	35	599
STOUGHTON	17,372	2,696	36	14,639	15,968	2,664	34	13,270	15,391	2,726	37	12,628
STOW	386	85	6	294	360	82	4	273	386	81	3	302
SUDBURY	5,617	67	94	5,455	5,410	94	90	5,226	5,538	145	89	5,304
SUTTON	6,342	67	53	6,222	6,244	120	50	6,075	6,191	104	51	6,036
TAUNTON	56,312	1,488	15	54,809	53,678	1,407	12	52,259	52,527	1,303	25	51,199
TEWKSBURY	15,545	1,423	0	14,122	15,178	1,208	0	13,970	15,397	1,155	0	14,242
TOWNSEND	1,374	48	19	1,306	1,296	24	48	1,224	1,357	23	47	1,287
TYNGSBOROUGH	8,652	1,213	47	7,392	8,493	858	49	7,586	8,481	643	51	7,787
UPTON	621	7	49	565	567	6	42	520	609	6	42	561
WAREHAM	14,662	2,044	0	12,618	14,517	2,045	0	12,472	14,497	2,151	0	12,346
WAYLAND	4,143	135	67	3,941	4,024	162	67	3,794	4,116	197	66	3,853
WEST BOYLSTON	4,315	492	1	3,823	4,146	433	8	3,706	4,081	351	4	3,727
WEST BRIDGEWATER	4,231	500	29	3,702	3,999	635	32	3,332	3,803	741	35	3,028
WEST NEWBURY	328	106	27	195	310	128	26	155	324	105	25	195
WESTBOROUGH	5,714	246	117	5,350	5,566	245	111	5,210	5,547	291	115	5,141
WESTFORD	18,305	398	0	17,907	17,855	334	76	17,446	17,907	379	76	17,452
WESTMINSTER	815	39	17	759	779	38	15	726	814	33	21	759
WHITMAN	2,335	104	70	2,160	2,187	96	69	2,022	2,311	95	73	2,144
WORCESTER	254,774	32,162	0	222,612	242,483	29,802	0	212,680	232,469	28,433	0	204,036
WRENTHAM	4,483	327	0	4,155	4,375.904	318.737	0.746	4,056.421	4421.397	323.385	10.835	4,087.177



Municipality	FY2010			FY2009			FY2008					
	Total Local Aid	All Other Assessments	Net Local Aid	Total Local Aid	All Other Assessments	Net Local Aid	Total Local Aid	All Other Assessments	Net Local Aid			
DUXBURY	5,228	180	4,969	5,636	151	5,392	4,914	155	93	4,666		
EAST BRIDGEWATER	12,135	213	58	11,864	168	56	12,562	168	59	12,196		
EASTON	11,941	589	146	11,205	12,785	571	146	12,068	12,003	573	146	11,283
ESSEX	239	7	19	212	316	31	20	265	345	32	20	293
FITCHBURG	50,373	4,531	0	45,842	53,221	4,093	0	49,128	53,172	4,205	0	48,966
FOXBOROUGH	10,196	1,816	27	8,353	10,815	1,748	97	8,970	10,171	1,676	104	8,391
FRANKLIN	31,775	4,118	54	27,603	33,197	3,896	192	29,108	31,000	3,751	196	27,052
FREETOWN	2,690	158	35	2,497	3,011	180	24	2,807	3,009	176	57	2,776
GEORGETOWN	5,545	261	45	5,240	5,858	332	46	5,480	5,811	376	46	5,389
GLOUCESTER	10,168	3,698	0	6,470	11,418	3,673	0	7,745	11,673	3,329	0	8,344
GRAFTON	9,639	385	107	9,147	10,140	211	105	9,823	9,859	154	101	9,604
GROTON	802	29	48	725	1,050	27	48	975	1,126	27	47	1,051
GROVELAND	880	122	38	720	1,027	132	38	856	1,075	158	41	876
HALIFAX	3,546	115	49	3,382	3,826	113	49	3,664	3,796	82	50	3,665
HANOVER	7,993	453	89	7,451	8,678	389	90	8,199	8,776	397	90	8,289
HANSON	1,245	66	63	1,116	1,500	65	63	1,372	1,647	59	63	1,525
HARVARD	3,523	625	27	2,872	3,937	612	29	3,295	3,928	646	32	3,250
HAVRHILL	46,009	4,696	0	41,313	49,290	4,515	3	44,773	49,197	4,130	46	45,020
HOLDEN	1,917	61	68	1,787	2,201	70	72	2,059	2,399	74	70	2,256
HOLLISTON	8,849	297	61	8,491	9,542	459	88	8,995	9,361	503	88	8,770
HOPKINTON	6,874	483	83	6,308	7,258	372	90	6,796	7,070	343	90	6,637
IPSWICH	5,252	224	80	4,949	5,701	233	80	5,388	5,650	263	80	5,307
KINGSTON	4,940	180	24	4,736	5,259	161	42	5,056	4,933	200	52	4,681
LAKEVILLE	3,213	97	53	3,063	3,517	98	53	3,366	3,527	102	58	3,366
LANCASTER	1,009	86	26	897	1,106	87	28	992	1,195	91	24	1,080
LAWRENCE	153,568	17,776	0	135,793	161,939	17,016	0	144,922	156,663	16,412	0	140,251
LEICESTER	11,741	356	0	11,385	12,330	366	18	11,946	12,088	410	4	11,674
LEOMINSTER	46,328	2,840	0	43,488	48,760	2,601	0	46,158	44,367	2,478	0	41,889
LITTLETON	4,080	1,039	30	3,011	4,190	919	34	3,237	3,570	875	42	2,653
LOWELL	143,802	13,672	0	130,130	153,761	13,109	0	140,651	155,712	12,837	0	142,875
LUNENBURG	6,016	669	35	5,313	6,510	764	37	5,709	6,296	643	39	5,614
MANSFIELD	19,383	1,825	53	17,506	20,378	1,817	69	18,491	18,601	1,652	91	16,858
MARLBOROUGH	17,743	3,045	182	14,516	19,241	2,446	175	16,620	17,404	2,120	182	15,102
MARSHFIELD	16,763	495	148	16,120	17,675	441	157	17,077	17,361	553	158	16,650
MAYNARD	4,915	477	0	4,439	5,404	392	65	4,948	5,125	270	65	4,790
MEDWAY	10,411	562	5	9,844	10,949	410	64	10,474	10,108	373	66	9,670
MERRIMAC	809	116	5	688	889	132	0	757	979	121	3	855
METHUEN	42,159	1,366	0	40,793	44,583	1,232	0	43,351	43,944	1,240	0	42,705
MIDDLEBOROUGH	19,624	484	4	19,136	20,653	441	35	20,177	20,297	321	60	19,916
MILLBURY	8,625	318	52	8,255	9,252	306	52	8,895	9,167	424	55	8,688
MILLIS	4,709	367	44	4,298	5,082	381	45	4,656	4,368	929	42	3,397
NEWBURY	723	181	44	498	809	121	44	644	844	114	44	686
NEWBURYPORT	7,243	2,318	21	4,904	8,272	2,432	0	5,840	8,530	2,154	7	6,389
NORTH ANDOVER	7,747	2,268	68	5,410	8,561	2,231	76	6,254	8,248	2,090	93	6,065
NORTH ATTLEBOROUGH	23,578	2,951	6	20,621	24,942	2,993	9	21,939	24,359	2,882	59	21,419
NORTH READING	7,832	106	89	7,637	8,500	78	88	8,333	7,835	70	89	7,676
NORTHBOROUGH	4,603	368	74	4,161	4,947	255	72	4,620	4,836	266	74	4,496
NORTHBRIDGE	16,426	758	92	15,577	17,209	646	91	16,472	17,522	583	90	16,849
NORTON	15,457	2,431	28	12,998	16,451	2,415	39	13,997	15,952	2,105	72	13,774
NORWELL	3,750	944	65	2,740	4,145	964	66	3,115	3,958	1,051	66	2,841
PAXTON	588	30	29	529	667	37	29	601	714	52	29	633
PEMBROKE	13,857	223	118	13,516	14,546	287	117	14,142	13,803	291	112	13,400
PLYMOUTH	27,011	4,488	74	22,449	28,555	4,260	152	24,143	26,902	3,811	244	22,847
PLYMPTON	818	53	18	748	896	53	18	825	874	52	18	804
PRINCETON	404	8	18	377	505	12	18	475	531	10	20	501
RAYNHAM	1,434	258	45	1,131	1,951	259	46	1,646	2,076	251	67	1,759
REHOBOTH	1,164	235	57	872	1,363	242	57	1,064	1,426	244	58	1,124
ROCHESTER	2,051	62	6	1,982	2,191	61	14	2,116	2,125	58	14	2,053
ROCKLAND	12,936	2,127	113	10,695	13,908	2,124	113	11,670	13,574	1,932	113	11,528
ROCKPORT	2,424	648	0	1,776	2,663	616	0	2,047	2,572	628	0	1,944
ROWLEY	606	118	37	450	750	118	37	596	812	94	37	681
SALISBURY	920	155	27	738	1,127	137	31	959	1,143	159	43	940
SCITUATE	7,088	410	114	6,564	7,796	386	115	7,295	7,332	373	115	6,844
SEEKONK	5,760	328	2	5,430	6,207	297	28	5,881	5,948	286	17	5,645
SHERBORN	748	39	26	682	842	38	27	777	787	37	27	723
SHIRLEY	6,213	1,406	29	4,778	6,635	1,255	33	5,347	6,546	1,077	34	5,435
SHREWSBURY	21,954	1,677	139	20,137	23,023	1,361	142	21,521	21,694	1,009	142	20,543
SOUTHBOROUGH	3,334	242	57	3,035	3,575	233	57	3,285	3,485	208	57	3,220
STERLING	673	25	38	610	876	30	38	808	962	29	38	895
STOUGHTON	15,802	2,824	50	12,929	16,859	2,588	65	14,206	15,940	2,473	72	13,396
STOW	401	84	1	316	507	44	39	423	556	42	39	474
SUDBURY	5,681	112	104	5,465	6,267	190	108	5,970	6,037	57	108	5,872
SUTTON	6,643	159	52	6,432	6,962	160	49	6,754	6,841	186	41	6,614
TAUNTON	53,293	1,324	36	51,932	56,666	1,350	44	55,272	55,917	1,319	92	54,505
TEWKSBURY	16,053	887	0	15,166	17,091	743	0	16,348	17,031	569	0	16,462
TOWNSEND	1,517	21	48	1,448	1,751	21	47	1,683	1,860	20	48	1,792
TYNGSBOROUGH	8,868	457	51	8,360	9,027	243	49	8,734	8,750	209	49	8,493
UPTON	628	12	42	574	727	17	41	669	777	17	41	719
WAREHAM	14,638	2,336	0	12,302	15,376	2,092	0	13,284	14,965	1,701	45	13,218
WAYLAND	4,297	123	77	4,097	4,650	108	82	4,460	4,453	93	83	4,277
WEST BOYLSTON	4,346	277	27	4,041	4,611	263	8	4,340	4,568	249	10	4,309
WEST BRIDGEWATER	3,769	740	36	2,993	4,063	761	34	3,268	3,791	626	33	3,132
WEST NEWBURY	347	104	25	218	438	66	26	345	464	69	26	370
WESTBOROUGH	5,865	321	111	5,434	6,268	190	110	5,968	5,678	201	98	5,379
WESTFORD	17,521	386	77	17,058	18,441	292	76	18,073	17,050	258	105	16,687
WESTMINSTER	779	42	19	719	980	43	22	915	1,045	42	24	979
WHITMAN	2,410	98	74	2,237	2,625	91	78	2,456	2,931	80	82	2,769
WORCESTER	223,777	26,780	0	196,997	239,970	25,632	0	214,338	237,298	23,628	0	213,700
WRENTHAM	4716.84	323.561	12.658	4380.621	5086.448	322.713	64.001	4699.134	5099.996	347.545	70.461	4681.99



Municipality	FY2007			FY2006				FY2005				
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
DUXBURY	4,450	183	90	4,177	3,945	179	87	3,680	3,789	171	129	3,488
EAST BRIDGEWATER	12,013	122	60	11,831	11,048	116	59	10,874	11,215	105	47	11,063
EASTON	11,236	543	141	10,551	10,342	542	136	9,665	11,036	555	106	10,374
ESSEX	341	34	19	289	314	29	18	267	281	7	14	260
FITCHBURG	51,696	3,907	0	47,789	47,856	3,788	0	44,069	49,599	3,653	0	45,946
FOXBOROUGH	9,927	1,640	100	8,186	8,524	1,570	97	6,858	7,907	1,381	77	6,448
FRANKLIN	29,942	5,051	185	24,706	27,086	4,513	178	22,395	26,817	3,954	141	22,723
FREETOWN	2,726	167	55	2,504	2,099	180	52	1,866	1,931	164	41	1,726
GEORGETOWN	5,494	317	47	5,130	4,604	268	34	4,303	5,616	208	24	5,384
GLOUCESTER	11,330	3,355	0	7,976	10,750	2,842	0	7,908	11,714	2,557	0	9,157
GRAFTON	8,653	178	95	8,380	7,593	187	87	7,319	7,483	203	70	7,210
GROTON	1,116	27	45	1,044	908	26	42	840	765	24	29	712
GROVELAND	1,030	98	34	897	777	68	37	672	866	56	29	781
HALIFAX	3,651	65	48	3,538	3,426	93	46	3,287	3,459	64	36	3,359
HANOVER	8,284	353	85	7,846	7,434	302	81	7,052	6,789	216	121	6,452
HANSON	1,592	58	61	1,473	1,386	61	58	1,266	1,314	58	46	1,209
HARVARD	3,725	683	31	3,011	3,401	567	30	2,804	3,286	443	22	2,821
HAVERTHILL	47,027	3,497	9	43,520	44,061	2,902	5	41,153	46,321	2,615	0	43,705
HOLDEN	2,321	69	63	2,189	1,897	72	28	1,797	1,981	101	10	1,870
HOLLISTON	9,114	403	85	8,625	8,480	252	83	8,145	10,069	147	66	9,857
HOPKINTON	6,894	321	86	6,486	6,057	266	83	5,708	8,813	170	65	8,577
IPSWICH	5,217	264	78	4,875	4,816	228	75	4,513	6,442	210	58	6,175
KINGSTON	4,798	163	56	4,580	4,535	152	57	4,326	5,842	140	38	5,664
LAKEVILLE	3,423	98	57	3,268	3,061	101	54	2,906	3,361	90	41	3,230
LANCASTER	1,167	36	22	1,109	1,017	35	20	962	894	32	17	845
LAWRENCE	150,829	15,372	15	135,442	140,219	13,480	44	126,695	142,251	12,085	0	130,166
LEICESTER	11,847	333	1	11,513	10,595	281	5	10,309	11,216	307	0	10,909
LEOMINSTER	42,291	2,238	0	40,053	39,615	2,299	0	37,316	39,005	2,321	0	36,684
LITTLETON	3,139	871	40	2,228	2,615	716	38	1,860	3,929	768	28	3,134
LOWELL	150,572	12,624	0	137,948	140,719	9,738	0	130,981	153,068	8,476	0	144,592
LUNENBURG	5,913	784	38	5,092	5,371	655	36	4,679	5,233	751	24	4,458
MANSFIELD	17,265	1,788	100	15,377	14,317	1,701	104	12,511	15,147	1,564	68	13,516
MARLBOROUGH	15,420	1,747	182	13,491	13,096	1,056	180	11,860	13,572	397	133	13,042
MARSHFIELD	16,838	591	152	16,095	14,908	641	146	14,121	15,726	547	219	14,960
MAYNARD	4,633	147	63	4,423	4,321	129	61	4,131	5,550	112	49	5,389
MEDWAY	9,326	383	79	8,864	7,804	356	76	7,371	8,065	426	60	7,579
MERRIMAC	953	107	0	846	804	79	0	725	1,151	76	0	1,075
METHUEN	40,812	1,195	0	39,617	36,888	943	0	35,745	39,377	897	0	38,481
MIDDLEBOROUGH	19,930	373	95	19,462	18,132	325	94	17,713	19,117	202	65	18,851
MILLBURY	8,894	399	54	8,440	7,902	321	36	7,546	7,555	319	21	7,216
MILLIS	3,656	913	42	2,701	3,322	695	42	2,585	3,809	668	68	3,074
NEWBURY	805	137	42	626	605	131	41	434	1,388	123	32	1,232
NEWBURYPORT	8,366	2,018	0	6,348	7,850	1,965	0	5,885	7,702	2,061	0	5,641
NORTH ANDOVER	7,676	2,022	106	5,548	6,810	1,501	100	5,208	8,354	1,282	67	7,004
NORTH ATTLEBOROUGH	23,412	2,843	88	20,482	21,926	2,565	85	19,276	22,337	2,330	49	19,958
NORTH READING	7,392	79	86	7,227	6,065	28	83	5,954	5,891	14	127	5,750
NORTHBOROUGH	4,473	219	63	4,191	3,975	179	61	3,735	4,361	133	45	4,184
NORTHBRIDGE	16,753	761	85	15,908	15,854	529	81	15,244	16,683	574	63	16,045
NORTON	15,632	1,866	73	13,693	14,711	1,512	79	13,120	15,289	1,304	90	13,935
NORWELL	3,659	1,029	64	2,566	3,248	828	61	2,360	4,119	685	93	3,341
PAXTON	689	47	28	614	670	33	27	611	574	31	21	521
PEMBROKE	12,306	235	105	11,967	10,305	194	99	10,012	9,882	200	149	9,533
PLYMOUTH	25,710	3,522	258	21,930	22,408	2,785	251	19,372	24,548	2,565	179	21,804
PLYMPTON	835	53	17	766	757	38	16	703	704	36	13	655
PRINCETON	502	10	20	473	500	10	19	471	808	9	16	783
RAYNHAM	2,051	227	74	1,750	1,909	208	70	1,631	1,785	204	53	1,527
REHOBOTH	1,454	270	57	1,128	1,237	285	54	898	1,005	258	39	708
ROCHESTER	1,980	57	32	1,891	1,812	57	30	1,725	2,199	52	23	2,123
ROCKLAND	13,116	1,682	110	11,344	12,166	1,270	106	10,790	11,730	983	157	10,590
ROCKPORT	2,368	704	0	1,664	2,083	633	0	1,450	3,056	512	0	2,544
ROWLEY	784	97	35	653	655	121	33	500	930	72	26	832
SALISBURY	1,081	160	43	877	817	157	8	653	651	184	0	467
SCITUATE	6,734	369	112	6,253	6,391	307	107	5,976	5,715	361	161	5,193
SEEKONK	5,289	285	37	4,967	4,433	256	51	4,127	5,200	250	31	4,919
SHERBORN	703	37	26	640	631	42	25	564	831	35	40	756
SHIRLEY	6,458	1,091	32	5,335	6,038	881	29	5,128	5,778	768	15	4,994
SHREWSBURY	19,935	751	132	19,052	17,285	728	113	16,445	18,622	603	91	17,928
SOUTHBOROUGH	3,370	170	55	3,146	3,152	121	53	2,977	3,962	65	40	3,857
STERLING	920	31	35	855	755	30	32	693	651	30	23	599
STOUGHTON	14,305	2,319	72	11,913	12,652	1,871	73	10,708	12,243	1,524	43	10,675
STOW	544	42	38	465	454	39	36	379	395	36	29	331
SUDBURY	5,625	88	105	5,432	5,655	131	102	5,422	8,081	25	150	7,907
SUTTON	6,563	229	40	6,295	6,019	149	28	5,842	6,933	171	26	6,736
TAUNTON	54,018	1,159	109	52,750	51,051	1,070	108	49,873	51,540	904	39	50,596
TEWKSBURY	16,521	446	0	16,075	15,468	516	0	14,952	15,760	432	0	15,328
TOWNSEND	1,789	21	46	1,723	1,410	18	44	1,348	1,197	17	33	1,146
TYNGSBOROUGH	8,505	130	60	8,314	7,899	143	57	7,699	8,125	128	43	7,954
UPTON	732	16	38	677	660	15	36	609	566	15	28	523
WAREHAM	14,526	1,426	64	13,036	13,626	1,131	68	12,426	14,405	942	35	13,427
WAYLAND	4,111	136	80	3,895	4,202	59	78	4,066	4,252	32	120	4,100
WEST BOYLSTON	4,401	167	11	4,223	4,033	116	13	3,903	4,464	104	9	4,352
WEST BRIDGEWATER	3,436	588	33	2,814	2,966	527	32	2,407	2,684	445	25	2,215
WEST NEWBURY	455	95	25	334	351	37	25	289	312	40	20	252
WESTBOROUGH	4,916	169	105	4,641	4,211	140	103	3,969	4,517	127	79	4,310
WESTFORD	15,950	211	118	15,622	13,954	218	112	13,625	16,407	207	86	16,115
WESTMINSTER	1,004	40	22	941	857	39	20	797	724	39	12	674
WHITMAN	2,869	75	80	2,715	2,463	72	76	2,314	2,194	71	59	2,063
WORCESTER	228,562	20,244	0	208,318	213,528	18,402	0	195,126	219,416	16,235	0	203,181
WRENTHAM	4964.946	306.46	67.98	4590.506	4,878	320	65	4,494	5,135	327	51	4,756





Municipality	FY2004			FY2003			FY2002			Net Local Aid		
	Total Local Aid	All Other Assessments	Assessment	Total Local Aid	All Other Assessments	Assessment	Total Local Aid	All Other Assessments	Assessment			
DUXBURY	3,743	162	172	3,409	4,706	126	216	4,364	4,765	121	263	4,381
EAST BRIDGEWATER	11,191	96	32	11,063	11,325	74	17	11,234	11,125	70	2	11,053
EASTON	10,804	476	79	10,250	10,930	316	52	10,562	10,974	309	27	10,638
ESSEX	273	7	10	256	310	4	6	301	350	4	3	344
FITCHBURG	49,059	3,095	0	45,964	50,471	551	0	49,921	50,447	539	0	49,909
FOXBOROUGH	7,668	1,344	57	6,267	8,977	151	38	8,787	8,995	131	20	8,844
FRANKLIN	25,322	3,219	104	21,998	24,953	855	70	24,028	23,959	728	36	23,195
FREETOWN	1,883	144	30	1,710	2,327	124	20	2,183	2,382	120	11	2,251
GEORGETOWN	5,571	199	26	5,346	5,399	43	17	5,339	5,445	39	10	5,396
GLOUCESTER	11,729	2,356	0	9,373	13,539	1,267	0	12,273	13,729	1,076	0	12,653
GRAFTON	7,381	197	49	7,136	7,229	31	28	7,170	7,243	31	10	7,202
GROTON	693	23	16	653	817	20	5	792	859	20	0	839
GROVELAND	842	54	21	766	1,040	26	14	1,000	1,068	23	7	1,037
HALIFAX	3,409	48	26	3,334	3,817	38	18	3,761	3,857	36	9	3,811
HANOVER	6,541	108	161	6,272	6,958	78	203	6,676	7,040	75	246	6,719
HANSON	1,306	54	34	1,219	1,446	47	22	1,377	1,477	44	12	1,421
HARVARD	3,242	360	9	2,873	4,495	182	5	4,308	4,506	148	15	4,344
HAVERTHILL	45,798	1,549	0	44,249	50,042	421	0	49,621	50,389	418	0	49,972
HOLDEN	2,060	98	0	1,963	2,354	92	0	2,262	2,428	90	0	2,337
HOLLISTON	9,964	100	49	9,816	11,125	52	32	11,040	11,170	47	17	11,106
HOPKINTON	8,287	172	47	8,068	8,474	51	31	8,391	8,382	7	14	8,361
IPSWICH	6,225	283	42	5,900	6,876	97	27	6,752	6,925	86	12	6,827
KINGSTON	5,777	114	27	5,636	5,894	84	13	5,797	5,792	80	5	5,707
LAKEVILLE	2,964	118	27	2,819	3,302	74	16	3,212	3,323	70	5	3,248
LANCASTER	861	33	15	813	1,030	21	9	1,000	1,096	19	0	1,078
LAWRENCE	138,303	11,086	0	127,217	141,930	1,717	0	140,213	137,168	1,383	0	135,785
LEICESTER	11,002	198	0	10,804	11,957	69	0	11,888	12,010	68	0	11,942
LEOMINSTER	37,318	2,357	0	34,961	37,572	545	0	37,027	37,627	530	0	37,097
LITTLETON	3,728	522	14	3,192	2,896	43	6	2,848	2,848	39	0	2,808
LOWELL	146,530	6,680	0	139,849	156,088	828	0	155,261	156,853	804	0	156,049
LUNENBURG	5,069	682	13	4,374	4,957	61	3	4,893	5,009	57	0	4,952
MANSFIELD	14,410	1,345	49	13,015	15,163	356	32	14,775	14,288	347	13	13,928
MARLBOROUGH	13,512	450	82	12,980	15,506	88	44	15,373	15,745	84	0	15,661
MARSHFIELD	15,546	408	291	14,847	16,256	137	364	15,755	16,300	130	439	15,730
MAYNARD	5,451	64	37	5,350	5,066	13	25	5,029	5,138	13	13	5,113
MEDWAY	8,050	365	44	7,641	8,118	102	29	7,986	7,983	89	15	7,879
MERRIMAC	1,114	56	0	1,058	1,234	29	0	1,205	1,250	29	0	1,221
METHUEN	36,367	905	0	35,463	36,924	332	0	36,592	36,867	258	0	36,609
MIDDLEBOROUGH	19,074	287	42	18,744	18,472	145	24	18,303	18,599	137	5	18,457
MILLBURY	7,316	338	5	6,973	7,427	94	0	7,333	7,426	90	0	7,336
MILLIS	3,759	594	99	3,065	4,223	320	139	3,765	4,265	294	170	3,801
NEWBURY	1,349	111	24	1,214	1,442	101	16	1,326	1,488	88	8	1,392
NEWBURYPORT	7,483	1,666	0	5,817	7,093	124	0	6,968	7,258	118	0	7,140
NORTH ANDOVER	8,203	1,013	34	7,156	9,773	741	4	9,029	9,658	552	0	9,106
NORTH ATTLEBOROUGH	21,818	1,910	17	19,891	21,657	961	0	20,696	20,473	885	0	19,588
NORTH READING	5,727	30	171	5,526	6,095	9	216	5,869	6,121	9	261	5,851
NORTHBOROUGH	4,310	120	30	4,160	5,200	88	12	5,100	5,078	83	0	4,996
NORTHBRIDGE	15,974	530	47	15,398	16,105	43	31	16,031	14,111	40	18	14,053
NORTON	14,639	899	32	13,708	14,696	244	21	14,431	13,962	238	8	13,716
NORWELL	4,108	679	126	3,303	3,814	560	160	3,094	3,872	436	195	3,241
PAXTON	551	34	15	501	583	38	10	536	627	38	5	584
PEMBROKE	9,718	125	196	9,397	12,081	90	257	11,734	7,325	86	310	6,928
PLYMOUTH	23,815	1,866	117	21,832	29,047	382	65	28,600	29,350	365	3	28,982
PLYMPTON	700	39	9	651	885	24	6	856	884	22	3	859
PRINCETON	754	9	11	734	851	8	7	836	920	8	3	909
RAYNHAM	1,769	209	37	1,523	1,763	178	24	1,561	1,703	173	10	1,520
REHOBOTH	930	259	25	646	1,104	239	14	851	1,148	230	2	917
ROCHESTER	2,086	50	16	2,019	2,102	48	11	2,043	2,130	45	6	2,079
ROCKLAND	11,555	645	208	10,702	13,296	525	260	12,512	13,383	451	313	12,619
ROCKPORT	3,020	448	0	2,573	3,142	200	0	2,942	3,145	190	0	2,954
ROWLEY	892	59	19	814	1,055	49	13	993	1,093	43	7	1,043
SALISBURY	643	150	28	465	756	62	18	676	784	54	9	722
SCITUATE	5,600	299	216	5,085	6,916	116	271	6,529	6,811	111	327	6,373
SEEKONK	5,199	256	27	4,917	6,282	237	11	6,034	6,330	231	5	6,094
SHERBORN	819	35	54	730	954	30	69	854	970	27	84	858
SHIRLEY	5,685	777	7	4,901	5,905	17	0	5,888	5,368	18	0	5,350
SHREWSBURY	16,746	392	42	16,312	12,680	184	0	12,496	11,649	177	0	11,472
SOUTHBOROUGH	3,952	73	29	3,850	3,882	57	19	3,806	3,766	53	5	3,708
STERLING	645	29	11	605	752	28	4	721	773	27	0	747
STOUGHTON	12,089	1,225	17	10,847	13,656	961	0	12,695	13,780	793	0	12,987
STOW	392	35	21	335	457	30	14	413	474	27	7	440
SUDBURY	8,340	20	198	8,122	8,529	11	247	8,270	8,431	11	296	8,123
SUTTON	6,643	132	8	6,504	6,946	38	0	6,908	6,903	37	0	6,865
TAUNTON	51,154	896	0	50,258	49,911	792	0	49,119	48,677	767	0	47,910
TEWKSBURY	15,188	399	0	14,789	16,154	254	0	15,900	16,294	247	0	16,047
TOWNSEND	1,142	18	22	1,102	1,326	13	11	1,302	1,393	12	2	1,379
TYNGSBOROUGH	7,723	82	29	7,611	8,452	14	17	8,422	8,459	13	4	8,442
UPTON	523	15	20	488	612	13	13	586	677	12	7	657
WAREHAM	14,283	769	18	13,496	15,524	622	2	14,900	15,623	601	0	15,022
WAYLAND	4,170	12	162	3,996	5,022	13	205	4,804	5,071	13	248	4,810
WEST BOYLSTON	4,426	114	0	4,312	4,310	28	0	4,282	4,281	50	0	4,231
WEST BRIDGEWATER	2,666	366	19	2,281	3,220	302	11	2,907	3,268	260	4	3,004
WEST NEWBURY	307	30	15	263	350	1	10	339	361	1	5	354
WESTBOROUGH	4,477	153	55	4,269	5,446	103	34	5,308	5,499	101	11	5,386
WESTFORD	14,537	178	60	14,298	16,274	72	36	16,167	16,071	65	12	15,994
WESTMINSTER	680	39	2	639	795	35	0	760	868	34	0	835
WHITMAN	2,151	63	41	2,047	2,442	52	27	2,363	2,504	48	11	2,444
WORCESTER	213,862	14,618	0	199,244	220,381	2,042	0	218,339	211,862	1,989	0	209,874
WRENTHAM	497,804	267,688	37,254	465,262	5,044	111	25	4,908	5,157	94	13	5,050



Municipality	FY2001				FY2000				FY1999			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
DUXBURY	4,504	113	305	4,086	3,739	102	308	3,329	3,214	94	296	2,824
EAST BRIDGEWATER	11,003	66	0	10,937	10,502	68	0	10,434	9,923	64	0	9,859
EASTON	10,533	284	0	10,249	9,705	285	0	9,420	9,011	264	0	8,747
ESSEX	362	13	0	349	1,031	4	0	1,027	953	16	0	938
FITCHBURG	45,578	533	0	45,045	43,325	523	0	42,803	37,701	493	0	37,208
FOXBOROUGH	8,778	139	0	8,639	8,066	137	0	7,929	7,318	132	0	7,185
FRANKLIN	22,121	663	0	21,458	20,620	555	0	20,065	17,360	458	0	16,901
FREETOWN	2,309	115	0	2,194	2,102	113	0	1,989	1,844	110	0	1,734
GEORGETOWN	5,270	52	0	5,217	4,990	29	0	4,961	3,272	43	0	3,229
GLOUCESTER	13,518	1,063	0	12,456	12,540	1,032	0	11,508	11,513	991	0	10,522
GRAFTON	7,201	34	0	7,167	6,749	28	0	6,721	5,852	27	0	5,825
GROTON	851	19	0	832	784	34	0	750	709	34	0	675
GROVELAND	1,056	33	0	1,024	1,003	21	0	982	940	29	0	912
HALIFAX	3,828	33	0	3,795	3,643	32	0	3,611	3,447	30	0	3,417
HANOVER	6,663	73	287	6,303	6,106	70	290	5,746	5,741	67	282	5,392
HANSON	1,503	42	0	1,461	1,384	40	0	1,344	1,522	38	0	1,484
HARVARD	4,291	105	0	4,186	3,960	84	0	3,876	3,657	88	0	3,570
HAVERTHILL	49,409	476	0	48,933	47,100	392	0	46,708	43,776	483	0	43,293
HOLDEN	2,388	90	0	2,298	2,258	88	0	2,170	1,954	83	0	1,872
HOLLISTON	10,783	37	0	10,746	8,358	63	0	8,295	6,738	64	0	6,674
HOPKINTON	5,361	6	0	5,355	4,803	32	0	4,771	3,411	32	0	3,379
IPSWICH	6,948	116	0	6,832	4,493	78	0	4,415	4,052	102	0	3,950
KINGSTON	5,454	72	0	5,382	3,629	68	0	3,560	3,252	59	0	3,193
LAKEVILLE	3,364	65	0	3,298	3,172	63	0	3,109	3,062	58	0	3,004
LANCASTER	1,065	19	0	1,046	987	18	0	969	892	18	0	874
LAWRENCE	126,220	1,387	0	124,834	121,079	1,296	0	119,783	110,464	1,177	0	109,287
LEICESTER	10,859	72	0	10,786	10,443	68	0	10,374	9,415	60	0	9,355
LEOMINSTER	37,077	521	0	36,556	35,283	513	0	34,770	30,958	479	0	30,479
LITTLETON	2,614	42	0	2,572	2,021	62	0	1,959	1,760	51	0	1,709
LOWELL	141,966	709	0	141,257	135,484	802	0	134,682	130,287	811	0	129,476
LUNENBURG	4,529	69	0	4,460	4,182	69	0	4,113	3,839	68	0	3,771
MANSFIELD	13,115	304	0	12,811	12,211	298	0	11,913	10,521	290	0	10,231
MARLBOROUGH	14,433	114	0	14,319	13,339	175	0	13,164	10,735	166	0	10,569
MARSHFIELD	14,488	123	512	13,852	13,568	125	518	12,925	12,580	113	508	11,960
MAYNARD	4,805	13	0	4,792	4,424	30	0	4,394	4,203	28	0	4,175
MEDWAY	7,459	92	0	7,366	6,902	90	0	6,812	6,248	86	0	6,162
MERRIMAC	1,244	36	0	1,208	1,186	27	0	1,159	1,122	31	0	1,091
METHUEN	33,786	316	0	33,470	31,655	251	0	31,404	29,197	316	0	28,880
MIDDLEBOROUGH	18,116	128	0	17,988	16,372	125	0	16,246	16,162	111	0	16,052
MILLBURY	7,180	85	0	7,095	6,748	60	0	6,688	6,268	52	0	6,217
MILLIS	3,710	257	200	3,253	3,457	205	203	3,049	3,063	159	197	2,706
NEWBURY	1,496	96	0	1,400	1,444	78	0	1,365	1,386	87	0	1,299
NEWBURYPORT	7,076	156	0	6,921	6,574	108	0	6,466	6,163	169	0	5,994
NORTH ANDOVER	8,922	515	0	8,407	7,627	388	0	7,239	6,842	401	0	6,441
NORTH ATTLEBOROUGH	18,996	826	0	18,170	17,956	799	0	17,157	15,707	714	0	14,993
NORTH READING	5,998	7	306	5,685	5,331	34	310	4,988	4,912	34	303	4,576
NORTHBOROUGH	5,112	79	0	5,033	4,254	81	0	4,173	3,251	73	0	3,178
NORTHBRIDGE	14,502	18	0	14,484	13,328	17	0	13,311	12,066	18	0	12,048
NORTON	13,213	197	0	13,017	12,202	195	0	12,008	10,143	183	0	9,960
NORWELL	3,691	408	228	3,056	3,293	326	230	2,736	2,982	253	226	2,504
PAXTON	599	34	0	565	546	40	0	505	482	34	0	448
PEMBROKE	6,730	82	362	6,286	6,259	79	365	5,815	5,873	74	360	5,440
PLYMOUTH	28,455	355	0	28,100	25,040	360	0	24,680	23,445	295	0	23,150
PLYMPTON	828	20	0	808	761	19	0	742	744	18	0	725
PRINCETON	861	9	0	852	849	8	0	841	798	8	0	790
RAYNHAM	1,712	159	0	1,552	1,652	157	0	1,495	1,545	148	0	1,397
REHOBOTH	1,150	222	0	928	1,066	216	0	849	970	206	0	764
ROCHESTER	2,078	41	0	2,037	1,829	39	0	1,790	1,519	36	0	1,483
ROCKLAND	13,364	376	363	12,624	12,613	354	367	11,891	11,594	345	360	10,889
ROCKPORT	3,056	199	0	2,856	2,852	171	0	2,681	2,533	170	0	2,363
ROWLEY	1,079	53	0	1,026	1,033	38	0	994	980	14	0	966
SALISBURY	940	71	0	869	842	54	0	788	749	60	0	690
SCITUATE	6,636	103	381	6,151	5,856	100	386	5,369	5,285	94	381	4,810
SEEKONK	6,111	222	0	5,888	5,688	220	0	5,469	4,338	216	0	4,122
SHERBORN	952	28	99	826	590	44	100	446	509	41	99	370
SHIRLEY	4,845	21	0	4,824	4,625	27	0	4,597	4,286	23	0	4,263
SHREWSBURY	10,596	180	0	10,416	9,596	178	0	9,418	8,694	154	0	8,539
SOUTHBOROUGH	3,380	66	0	3,315	2,560	67	0	2,493	1,154	54	0	1,100
STERLING	809	33	0	775	749	33	0	716	678	31	0	647
STOUGHTON	13,173	749	0	12,424	12,157	713	0	11,444	11,290	663	0	10,627
STOW	482	25	0	457	447	38	0	409	403	38	0	365
SUDBURY	5,776	13	346	5,417	5,169	56	350	4,763	4,420	56	346	4,019
SUTTON	6,245	34	0	6,211	4,466	34	0	4,432	4,144	33	0	4,111
TAUNTON	47,634	742	0	46,892	45,231	733	0	44,498	40,283	702	0	39,580
TEWKSBURY	16,038	203	0	15,835	14,121	246	0	13,874	12,296	242	0	12,054
TOWNSEND	1,419	12	0	1,408	1,291	23	0	1,268	1,139	23	0	1,116
TYNGSBOROUGH	7,627	14	0	7,613	7,080	26	0	7,054	6,307	25	0	6,281
UPTON	643	12	0	631	595	12	0	583	541	12	0	529
WAREHAM	15,518	551	0	14,968	14,666	517	0	14,149	13,393	429	0	12,964
WAYLAND	4,778	10	290	4,477	4,188	47	294	3,847	3,667	50	289	3,327
WEST BOYLSTON	4,225	38	0	4,187	3,704	36	0	3,668	2,770	36	0	2,734
WEST BRIDGEWATER	3,182	229	0	2,953	2,945	210	0	2,735	2,737	191	0	2,546
WEST NEWBURY	378	11	0	367	354	1	0	353	324	14	0	311
WESTBOROUGH	5,236	101	0	5,135	4,571	89	0	4,481	3,983	84	0	3,899
WESTFORD	13,164	58	0	13,106	10,127	105	0	10,023	7,597	105	0	7,491
WESTMINSTER	832	34	0	798	790	33	0	757	700	29	0	671
WHITMAN	2,427	47	0	2,380	2,240	43	0	2,197	2,030	40	0	1,989
WORCESTER	200,086	1,834	0	198,252	189,197	1,786	0	187,411	172,805	1,821	0	170,983
WRENTHAM	5,123	96	0	5,027	4,776	95	0	4,682	4,205	84	0	4,120



	FY1998				FY1990				FY1985			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
Municipality												
DUXBURY	2,862	265	110	2,487	2,707	66	223	2,418	2,937	336	114	2,487
EAST BRIDGEWATER	8,924	52	0	8,873	4,409	29	0	4,380	3,147	154	0	2,993
EASTON	7,161	255	0	6,906	5,282	230	0	5,052	4,349	364	0	3,985
ESSEX	772	32	0	740	532	39	0	493	535	74	0	461
FITCHBURG	33,968	482	0	33,487	21,060	448	0	20,612	13,598	730	0	12,868
FOXBOROUGH	6,714	126	0	6,588	4,251	73	0	4,178	3,892	259	0	3,632
FRANKLIN	14,465	434	0	14,031	6,806	277	0	6,529	5,492	309	0	5,183
FREETOWN	1,870	112	0	1,758	1,557	70	0	1,486	1,006	179	0	827
GEORGETOWN	2,811	64	0	2,748	1,965	62	0	1,903	1,661	126	0	1,535
GLOUCESTER	10,033	1,009	0	9,025	7,779	897	0	6,883	6,554	934	0	5,620
GRAFTON	5,196	26	0	5,169	3,452	31	0	3,421	2,996	249	0	2,747
GROTON	641	27	0	615	782	22	0	760	662	161	0	500
GROVELAND	890	44	0	846	1,187	39	0	1,148	927	92	0	835
HALIFAX	3,146	28	0	3,118	1,798	10	0	1,787	1,146	73	0	1,073
HANOVER	5,130	176	157	4,797	4,371	27	213	4,130	3,589	217	164	3,209
HANSON	1,436	36	0	1,400	3,261	28	0	3,233	2,320	132	0	2,188
HARVARD	3,435	91	0	3,344	3,014	27	0	2,987	2,403	196	0	2,207
H Averhill	40,617	561	0	40,055	21,882	663	0	21,219	16,410	918	0	15,492
HOLDEN	1,789	92	0	1,697	3,168	60	0	3,108	2,294	385	0	1,909
HOLLISTON	6,148	58	0	6,090	4,071	31	0	4,039	3,664	241	0	3,423
HOPKINTON	3,182	34	0	3,149	1,584	16	0	1,568	1,519	110	0	1,409
IPSWICH	3,782	150	0	3,632	3,041	132	0	2,909	2,716	280	0	2,436
KINGSTON	2,881	65	0	2,816	1,461	25	0	1,437	1,064	128	0	935
LAKEVILLE	2,434	67	0	2,368	1,647	27	0	1,620	780	125	0	655
LANCASTER	816	18	0	797	1,961	12	0	1,949	1,466	147	0	1,320
LAWRENCE	100,507	1,251	0	99,256	52,902	960	0	51,941	31,464	1,200	0	30,264
LEICESTER	8,003	67	0	7,936	4,989	63	0	4,927	3,500	202	0	3,298
LEOMINSTER	27,397	460	0	26,938	14,670	308	0	14,362	9,932	791	0	9,141
LITTLETON	1,593	59	0	1,533	1,270	53	0	1,217	1,277	161	0	1,116
LOWELL	119,936	804	0	119,132	57,298	688	0	56,610	38,701	1,481	0	37,220
LUNENBURG	3,701	66	0	3,635	2,795	9	0	2,787	2,313	214	0	2,099
MANSFIELD	8,553	278	0	8,275	3,743	200	0	3,543	2,934	433	0	2,502
MARLBOROUGH	9,628	166	0	9,462	9,328	113	0	9,215	7,860	524	0	7,336
MARSHFIELD	10,584	356	236	9,992	6,744	57	421	6,266	5,321	408	246	4,668
MAYNARD	3,745	-107	142	3,709	3,520	19	0	3,501	2,456	174	0	2,282
MEDWAY	5,221	83	0	5,138	2,938	47	0	2,891	2,668	157	0	2,511
MERRIMAC	1,070	26	0	1,045	1,456	28	0	1,428	1,042	61	0	981
METHUEN	27,019	481	0	26,537	12,463	475	0	11,988	8,333	763	0	7,570
MIDDLEBOROUGH	15,207	107	0	15,100	8,187	40	0	8,148	5,095	262	0	4,833
MILLBURY	5,840	55	0	5,785	4,879	45	0	4,834	4,148	247	0	3,901
MILLIS	2,854	271	87	2,496	2,014	95	159	1,760	1,750	120	91	1,539
NEWBURY	1,340	106	0	1,235	769	60	0	709	717	140	0	577
NEWBURYPORT	5,840	182	0	5,658	5,607	220	0	5,387	3,961	335	0	3,626
NORTH ANDOVER	5,241	490	0	4,751	3,820	368	0	3,452	3,489	577	0	2,912
NORTH ATTLEBOROUGH	13,953	653	0	13,300	8,327	380	0	7,946	5,638	477	0	5,161
NORTH READING	4,348	125	198	4,025	3,196	44	251	2,901	3,025	230	207	2,588
NORTHBOROUGH	2,955	62	0	2,893	2,222	42	0	2,180	2,040	325	0	1,715
NORTHBRIDGE	11,208	19	0	11,189	6,517	15	0	6,502	4,166	225	0	3,941
NORTON	8,851	179	0	8,672	5,718	130	0	5,588	4,642	233	0	4,408
NORWELL	2,762	336	135	2,291	2,352	139	209	2,004	2,557	252	141	2,164
PAXTON	434	34	0	399	685	30	0	655	621	97	0	524
PEMBROKE	5,422	228	188	5,005	3,186	45	296	2,845	2,681	243	197	2,241
PLYMOUTH	21,231	274	0	20,957	4,555	161	0	4,394	4,989	931	0	4,059
PLYMPTON	710	17	0	693	416	8	0	408	276	41	0	234
PRINCETON	765	8	0	757	529	1	0	527	501	68	0	433
RAYNHAM	1,418	144	0	1,274	2,993	93	0	2,900	2,071	200	0	1,872
REHOBOTH	897	203	0	694	575	130	0	445	1,477	228	0	1,249
ROCHESTER	1,444	33	0	1,411	1,124	8	0	1,116	470	70	0	401
ROCKLAND	10,616	453	226	9,937	7,983	191	290	7,502	6,387	274	236	5,876
ROCKPORT	2,321	202	0	2,119	1,721	210	0	1,510	764	294	0	471
ROWLEY	936	31	0	906	1,249	36	0	1,213	640	96	0	544
SALISBURY	672	85	0	587	1,411	94	0	1,317	1,092	162	0	930
SCITUATE	4,944	211	242	4,492	4,154	56	332	3,766	4,450	399	253	3,799
SEEKONK	3,997	210	0	3,788	3,268	142	0	3,126	2,390	358	0	2,032
SHERBORN	460	99	55	307	409	25	92	292	547	152	57	338
SHIRLEY	3,865	22	0	3,844	2,465	8	0	2,458	2,130	69	0	2,061
SHREWSBURY	7,851	164	0	7,686	5,463	94	0	5,370	4,463	679	0	3,784
SOUTHBOROUGH	1,008	52	0	957	762	15	0	747	1,064	249	0	815
STERLING	621	30	0	591	1,088	15	0	1,073	1,050	138	0	911
STOUGHTON	10,285	686	0	9,599	8,707	341	0	8,366	6,264	664	0	5,600
STOW	369	37	0	332	738	14	0	724	798	124	0	673
SUDBURY	3,519	180	205	3,134	2,837	28	288	2,520	3,003	357	214	2,431
SUTTON	3,414	36	0	3,378	3,060	9	0	3,051	1,546	152	0	1,394
TAUNTON	36,346	699	0	35,647	25,635	715	0	24,920	17,312	776	0	16,536
TEWKSBURY	11,386	230	0	11,156	8,653	134	0	8,519	7,177	380	0	6,798
TOWNSEND	1,032	23	0	1,009	799	19	0	780	534	119	0	416
TYNGSBOROUGH	5,702	25	0	5,677	2,135	25	0	2,110	1,491	102	0	1,388
UPTON	500	13	0	487	492	2	0	490	426	91	0	336
WAREHAM	12,472	400	0	12,072	6,098	220	0	5,878	3,517	390	0	3,127
WAYLAND	3,366	113	209	3,043	2,600	26	284	2,290	2,930	346	220	2,364
WEST BOYLSTON	2,447	21	0	2,426	1,464	15	0	1,449	1,315	186	0	1,129
WEST BRIDGEWATER	2,578	182	0	2,396	2,019	96	0	1,923	1,725	154	0	1,571
WEST NEWBURY	502	30	0	472	731	32	0	699	507	65	0	441
WESTBOROUGH	2,925	77	0	2,848	2,091	32	0	2,059	2,594	468	0	2,125
WESTFORD	6,121	96	0	6,025	3,924	56	0	3,867	3,671	269	0	3,402
WESTMINSTER	640	27	0	613	479	9	0	470	759	142	0	617
WHITMAN	1,875	46	0	1,830	4,975	32	0	4,943	3,590	178	0	3,412
WORCESTER	162,771	1,653	0	161,118	101,080	1,270	0	99,810	76,577	3,166	0	73,411
WRENTHAM	3,983	81	0	3,902	1,951	41	0	1,910	1,355	112	0	1,243

[THIS PAGE INTENTIONALLY LEFT BLANK]



