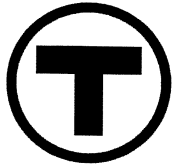


*In the opinion of Bond Counsel and Co-Bond Counsel, under existing law, assuming continued compliance with certain provisions of the Internal Revenue Code of 1986, as amended, interest on the Bonds will not be included in the gross income of Bondowners for federal income tax purposes, and interest on the Bonds will not constitute a preference item for the purposes of computation of the alternative minimum tax imposed on certain individuals and corporations but will be taken into account in computing the alternative minimum tax applicable to certain corporations. In the opinion of Bond Counsel and Co-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.*

**\$358,405,000**



**MASSACHUSETTS BAY TRANSPORTATION AUTHORITY**  
**Senior Sales Tax Bonds**

**\$177,855,000**  
**2015 Series A**

**\$180,550,000**  
**2015 Series B**

**Dated: Date of Delivery**

**Due: As shown on the inside cover**

This Official Statement relates to the issuance by the Massachusetts Bay Transportation Authority (the "Authority") of its Senior Sales Tax Bonds, 2015 Series A (the "Series A Bonds") and 2015 Series B (the "Series B Bonds", and together with the Series A 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 Bonds will bear interest from the date of initial delivery thereof and interest will be payable on January 1, 2016 and semiannually thereafter on each July 1 and January 1, 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 optional and mandatory sinking fund 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 Sales Tax Bond Trust Agreement, dated as of July 1, 2000, between the Authority and U.S. Bank National Association, Boston, Massachusetts, as successor trustee (the "Trustee"), as amended and as supplemented by the Thirty-First Supplemental Trust Agreement authorizing the issuance of the Series A Bonds, and the Thirty-Second Supplemental Trust Agreement authorizing the issuance of the Series B Bonds, each dated as of October 1, 2015, 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, and by Gonzalez Saggio & Harlan LLP, Boston, Massachusetts, Co-Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP, Boston, Massachusetts. The Bonds are expected to be available for delivery on or about October 14, 2015 at or through DTC in New York, New York.

**Ramirez & Co., Inc.**

**Barclays**

**Citigroup**

**J.P. Morgan**

**Loop Capital Markets**

**TD Securities**

**Massachusetts Bay Transportation Authority  
Senior Sales Tax Bonds**

**\$177,855,000 2015 Series A**

**Dated: Date of Delivery**

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

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2022	\$1,500,000	2.00%	1.71%	575579YD3
2022	2,595,000	5.00	1.71	575579YV3
2023	4,285,000	5.00	1.89	575579YE1
2024	4,505,000	5.00	2.05	575579YF8
2025	4,735,000	5.00	2.18	575579YG6
2026	4,980,000	5.00	2.34 <sup>†</sup>	575579YH4
2027	5,235,000	5.00	2.44 <sup>†</sup>	575579YJ0
2028	5,500,000	5.00	2.53 <sup>†</sup>	575579YK7
2029	5,785,000	5.00	2.63 <sup>†</sup>	575579YL5
2030	6,080,000	5.00	2.72 <sup>†</sup>	575579YM3
2031	6,360,000	4.00	3.16 <sup>†</sup>	575579YN1
2032	6,620,000	4.00	3.22 <sup>†</sup>	575579YP6
2033	6,890,000	4.00	3.27 <sup>†</sup>	575579YQ4
2034	7,170,000	4.00	3.32 <sup>†</sup>	575579YR2
2035	7,465,000	4.00	3.37 <sup>†</sup>	575579YT8

\$43,255,000 5.00% Term Bonds maturity July 1, 2040 to Yield 3.17%<sup>†</sup> CUSIP\*\* : 575579YU5

\$25,000,000 4.00% Term Bonds maturity July 1, 2045 to Yield 3.61%<sup>†</sup> CUSIP\*\* : 575579YS0

\$29,895,000 5.00% Term Bonds maturity July 1, 2045 to Yield 3.24%<sup>†</sup> CUSIP\*\* : 575579YW1

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\*\* Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of McGraw-Hill Financial, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondowners only at the time of issuance of the Bonds and the Authority 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 for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

<sup>†</sup> Priced to first optional redemption date of July 1, 2025.

**\$180,550,000 2015 Series B****Dated: Date of Delivery****Due: July 1, as shown below**

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2019	\$11,455,000	5.00%	1.06%	575579YX9
2024	10,435,000	5.00	2.05	575579YY7
2025	14,835,000	5.00	2.18	575579YZ4
2026	15,225,000	5.00	2.34 <sup>†</sup>	575579ZA8
2027	15,995,000	5.00	2.44 <sup>†</sup>	575579ZB6
2028	7,745,000	5.00	2.53 <sup>†</sup>	575579ZF7
2029	38,455,000	5.00	2.63 <sup>†</sup>	575579ZG5
2030	15,470,000	5.00	2.72 <sup>†</sup>	575579ZH3
2032	9,020,000	4.00	3.22 <sup>†</sup>	575579ZC4
2033	9,505,000	5.00	2.90 <sup>†</sup>	575579ZD2
2035	32,410,000	4.00	3.37 <sup>†</sup>	575579ZE0

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\*\* Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of McGraw-Hill Financial, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondowners only at the time of issuance of the Bonds and the Authority 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 for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

<sup>†</sup> Priced to first optional redemption date of July 1, 2025.



IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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.

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.

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.

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.

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

**\$358,405,000**

**SENIOR SALES TAX BONDS**

**\$177,855,000 2015 Series A**

**\$180,550,000 2015 Series B**

**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 \$177,855,000 Senior Sales Tax Bonds, 2015 Series A (the “Series A Bonds”) and its \$180,550,000 Senior Sales Tax Bonds, 2015 Series B (the “Series B Bonds,” and together with the Series A 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 SALES TAX BOND TRUST AGREEMENT – Definitions” or, in the case of capitalized terms related to the Assessment Bond Trust Agreement (hereinafter defined), the meanings set forth in APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE ASSESSMENT BOND TRUST AGREEMENT.”

The Bonds are authorized to be issued pursuant to the Enabling Act (hereinafter defined), and are to be issued under the Sales Tax Bond Trust Agreement, dated as of July 1, 2000, between the Authority and U.S. Bank National Association, Boston, Massachusetts, as successor trustee (the “Trustee”), as amended (the “Trust Agreement”) and as supplemented by the Thirty-First Supplemental Trust Agreement authorizing the issuance of the Series A Bonds (the “Thirty-First Supplemental Trust Agreement”) and the Thirty-Second Supplemental Trust Agreement authorizing the issuance of the Series B Bonds (the “Thirty-Second Supplemental Trust Agreement,” and together with the Thirty-First Supplemental Trust Agreement and the Trust Agreement, the “Sales Tax Bond Trust Agreement”), dated as of October 1, 2015, between the Authority and the Trustee.

The Series A Bonds are being issued for the purpose of (i) paying costs of the Authority in accordance with the Enabling Act, including funding a portion of the Authority’s capital program, and (ii) paying the costs of issuing the Series A Bonds. See “APPLICATION OF PROCEEDS.”

The Series B Bonds are being issued for the purpose of (i) refunding the Authority’s outstanding Bonds identified in Appendix G (the “Refunded Bonds”) and (ii) paying the costs of issuing the Series B Bonds. See “APPLICATION OF PROCEEDS” AND “PLAN OF REFUNDING.”

As used herein, the term “Senior Sales Tax Bonds” means the Bonds and all other Senior Sales Tax Bonds previously or hereafter issued under the Trust Agreement on parity with the Bonds. The Trust Agreement provides for the issuance of additional Senior Sales Tax Bonds and Subordinated Sales Tax Bonds (collectively, the “Sales Tax Bonds”), and the Authority expects to issue additional Sales Tax 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 for the purposes and on the terms and conditions provided therein, including without limitation, the greater of the base revenue amount or the dedicated sales tax revenue amount, both as defined in the Enabling Act (“Dedicated Sales Tax”). The Dedicated Sales Tax was increased by \$160,000,000 annually commencing in Fiscal Year 2015. See “DEDICATED SALES TAX.” The Bonds constitute the twenty-seventh and twenty-eighth series of Sales Tax Bonds to be issued

under the Trust Agreement. See “SECURITY FOR THE SALES TAX BONDS” and APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX BOND TRUST AGREEMENT.”

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.

In response to widespread system failures experienced by the MBTA during the unusually severe 2015 winter weather in Massachusetts, the Governor appointed a special panel to review the management and financial condition of the MBTA, which resulted in the establishment of a Fiscal and Management Control Board (the “Control Board”) until at least June 30, 2018, but not later than June 30, 2020. The Control Board is vested with certain powers of the MBTA during such period and is mandated to initiate and secure the implementation of appropriate measures to secure the fiscal, operational and managerial stability of the MBTA. See “THE AUTHORITY – Control Board and Board of Directors.” The legislation establishing the Control Board (the “Control Board Act”) amends the Enabling Act and other applicable laws, including without limitation to exempt some MBTA contracts from certain Massachusetts laws related to privatization. The Control Board Act expressly provides that the rights of MBTA bondholders, including the holders of Sales Tax Bonds, shall not be altered or impaired, that the MBTA shall maintain the covenants and agreements with respect to its outstanding debt obligations and that the trust established under Section 35T (defined herein) and the Commonwealth’s obligations with respect thereto, as described under “SECURITY FOR THE SALES TAX BONDS,” shall not be altered or impaired.

## **Background**

The Authority was created in 1964 pursuant to Chapter 161A of Massachusetts General Laws, 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 175 communities.

Chapter 161A is referred to herein, together with Section 35T of Chapter 10 of Massachusetts General Laws, as the “Enabling Act.”

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 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 to be funded from existing sales tax receipts, subject to adjustment under certain circumstances set forth in the Enabling Act, plus \$160,000,000 annually. The Enabling Act was amended on October 31, 2014 to increase the Dedicated Sales Tax by \$160,000,000 annually, starting in Fiscal Year 2015. This was intended to replace the \$160,000,000 annual appropriation the MBTA received from Fiscal Years 2010 to 2014. See “DEDICATED SALES TAX.”

The cities and towns within the Authority’s territory are required to pay Assessments as described under “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”

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, the rate of the sales tax shall not be reduced below the amount of the Dedicated Sales Tax and annual aggregate Assessments shall not be reduced below \$136,026,868. See “DEDICATED SALES TAX” and “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”



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) due during such year. In connection with its Fiscal Year 2016 budget, the Authority certified that it has provided for the payment of Prior Obligations during Fiscal Year 2016 in such annual budget. See "SECURITY FOR THE SALES TAX BONDS – Provision for the Payment of Prior Obligations."

In order to clarify certain procedural provisions in the Enabling Act, the Authority entered into a Memorandum of Understanding, dated as of July 1, 2000, with the Executive Office for Administration and Finance, the Office of the State Treasurer, the Office of the Comptroller and the Department of Revenue (the "MOU"). 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 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 "ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS" and with respect to the Dedicated Sales Tax described under "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 "ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS – Legal Obligations of Assessed Cities and Towns" 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 Sales Tax Bond Trust Agreement, the Bonds are secured by a pledge of the Dedicated Sales Tax and, after meeting the obligations under an Assessment Bond Trust Agreement, dated as of July 1, 2000, as amended and supplemented (the "Assessment Bond Trust Agreement"), by and between the Authority and U.S. Bank National Association, as successor trustee, the Assessments, along with other Authority revenues as described under "SECURITY FOR THE SALES TAX BONDS – Pledge Under the Sales Tax Bond Trust Agreement." The Bonds are secured by a first lien on Dedicated Sales Tax and other Pledged Revenues (hereinafter defined), prior to the payment of operating expenses. See "SECURITY FOR THE SALES TAX BONDS – Pledge Under the Sales Tax Bond Trust Agreement." See also "SECURITY FOR THE SALES TAX BONDS – Additional Indebtedness" for information regarding debt service coverage on the Bonds.

## **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 Sales Tax Bond Trust Agreement and the Assessment Bond Trust Agreement. All references herein to the Enabling Act, the Transportation Reform Act, the Sales Tax Bond Trust Agreement and the Assessment 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 Sales Tax Bond Trust Agreement.

Appendix A is a summary of certain provisions of the Sales Tax Bond Trust Agreement. Appendix B is a summary of certain provisions of the Assessment Bond Trust Agreement. Appendix C sets forth the proposed form of opinion of Bond Counsel and of Co-Bond Counsel. Appendix D describes the proposed Continuing Disclosure Undertaking to be executed by the Authority and U.S. Bank National Association, as dissemination agent. Appendix E sets forth certain information regarding Assessments and Local Aid. Appendix F contains a detailed history of receipts of the Dedicated Sales Tax by Fiscal Year.

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 the Dedicated Sales Tax and other Pledged Revenues under the Sales Tax Bond Trust Agreement and, as described herein, amounts available under the Assessment Bond Trust Agreement, and do not constitute a general obligation of the Authority, and the Dedicated Sales Tax is 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 175 cities and towns directly or indirectly receiving Authority service. The 175 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.

### **Control Board and Board of Directors**

The Authority is governed and its corporate powers exercised by the board of directors (the "Board of Directors" or "Board") of the Massachusetts Department of Transportation ("MassDOT").

The Control Board Act is part of the Commonwealth Fiscal Year 2016 budget, Chapter 46 of the Acts of 2015 of the Commonwealth, effective July 17, 2015. The Control Board is within the Massachusetts Department of Transportation and reports to the Secretary of Transportation (the "Secretary"). The Control Board is afforded all powers, responsibilities and obligations relative to the MBTA that are vested in the Board, with certain limited exceptions.

In addition, the Control Board may (i) establish separate operating and capital budgets each with clearly designated revenue sources and uses and establish policies and procedures to ensure that no funds are commingled between operating and capital budgets; (ii) establish one-year and five-year operating budgets beginning with Fiscal Year 2017, which are balanced primarily through a combination of internal cost controls and increased own-source revenues and which facilitate the transfer of all MBTA employees from the capital budget to the operating budget; (iii) establish five-year and 20-year capital plans that include a phased program for the complete restoration of the physical assets of the Authority including its vehicle fleet, a plan to address failings within the existing capital program and funding recommendations to meet the region's transit needs; (iv) establish a rigorous performance management system and

performance metrics and targets that address, among other things, maximizing of own-source revenues, increasing ridership, reducing absenteeism, addressing vacancies and attrition, improving employee morale, achieving procurement and contracting improvements and improving customer focus and orientation; (v) review any contract for the provision of services entered into by the Authority, including contracts entered into before the establishment of the Control Board, including, but not limited to, commuter rail and paratransit service contracts, and amend those contracts, as necessary, in accordance with their terms; and (vi) establish, increase, or decrease any fare, fee, rate, or charge for any service, license or activity within the scope of the MBTA. The Control Board may: (i) reorganize or consolidate MBTA departments, divisions or entities, in whole or in part, except the Metropolitan Boston Transit Parking Corporation; (ii) establish any new departments, divisions, or entities as it considers necessary; and (iii) transfer the duties, powers, functions and appropriations of a department, division or entity, except the duties, powers, functions and appropriations of the Metropolitan Boston Transit Parking Corporation, to another. Any reorganization or consolidation that affects MassDOT shall be approved by the Board.

The Control Board consists of five members appointed by the Governor. Three members shall be members of the Board, one shall have experience in transportation finance and one shall have experience in mass transit operation. The Control Board will continue until June 30, 2018; unless extended an additional two years if, prior to June 30, 2018, the Control Board finds in a recommendation to the Governor that such two-year period is in the best interest of the public and necessary to achieve operational stability and to establish performance metrics for the Authority. Upon such recommendation, the Governor may approve the extension but in no event shall the Control Board continue beyond June 30, 2020.

The members of the Control Board are:

<u>Member</u>	<u>Representing</u>
Joseph Aiello, Chair	Experience in transportation finance
Steve Poftak, Vice Chair	Board Member
Lisa Calise	Board Member
Brian Lang	Experience in mass transit operation
Monica Tibbits-Nutt	Board Member

Following the dissolution of the Control Board, the Board will resume sole governance of the Authority. The Board consists of 11-members. The Secretary of Transportation shall serve ex-officio as Chair and the ten other members are appointed by the Governor, one of whom shall be a rider, as defined in the Enabling Act; one of whom shall have experience in the field of public or private finance; one of whom shall have experience in transportation planning and policy; one of whom shall have experience in civil engineering; one of whom shall have experience in the field of public or private finance or transportation planning and policy; one of whom shall have municipal government experience in one of the fourteen cities and towns, as defined in the Enabling Act; one of whom shall have municipal government experience in one of the fifty-one cities and towns, as defined in the Enabling Act; one of whom shall have municipal government experience in one of the other served communities, as defined in the Enabling Act; one of whom shall have municipal government experience in a city or town not part of the area constituting the authority, as defined in the Enabling Act; and one of whom shall be a representative of a labor organization selected from a list of three nominees provided by the Massachusetts State Labor Council, AFL-CIO. Four of the members, other than the Chair, shall serve for terms that are coterminous with the Governor; provided, however, that at least three of the coterminous members shall have experience in transportation policy, public finance or civil engineering and at least one of the coterminous members shall be a rider. The six remaining members appointed by the Governor

shall serve for terms of four years. No more than six of the eleven directors, except the ex-officio director, shall be members of the same political party.

The Control Board shall appear before and provide updates to the Board not less than once per month.

The members of the Board are:

<b><u>Director</u></b>	<b><u>Representing</u></b>	<b><u>Term Expires</u></b>
Stephanie Pollack	Secretary of Transportation and Chair	Ex Officio
Dominic Blue	Experience in transportation planning and policy	Coterminous with Governor
Ruth Bonsignore	Experience in civil engineering	Coterminous with Governor
Lisa Calise	Municipal government experience in one of the fourteen cities and towns	July 1, 2018
Russell Gittlen	Representative of a labor organization	July 1, 2017
Dean Mazzarella	Municipal government experience in one of the other served communities	July 1, 2017
Robert Moylan	Experience in the field of public or private finance or transportation planning and policy	Coterminous with Governor
Steve Poftak	Resident in the Authority's territory and uses local service or express service of the Authority	July 1, 2018
Joseph Sullivan	Municipal government experience in one of the fifty-one cities and towns	July 1, 2017
Elizabeth "Betsy" Taylor	Experience in the field of public or private finance	Coterminous with Governor
Monica Tibbits-Nutt	Municipal government experience in a city or town not part of the Authority's territory	July 1, 2018

### **Administration**

The Authority's principal officers include as follows:

<b><u>Name</u></b>	<b><u>Title</u></b>
Frank Depaola	General Manager
Brian Shortsleeve	Chief Administrator
Jonathan Davis	Deputy General Manager, Finance and Administration/ Executive Chief Financial Officer
John Englander	General Counsel
Marie Breen	First Assistant General Counsel
Wesley Wallace, Jr.	Treasurer-Controller

## **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. The Authority is responsible for an estimated 1.3 million passenger trips on average per business day and 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 763 miles. The MBTA’s commuter rail service operates over 421 units of passenger rail equipment providing service between Boston and 134 outlying rail stations. In addition, the MBTA provides a broad range of other passenger services, including commuter boats, “The Ride” paratransit service, and express buses.

As of the end of Fiscal Year 2015, the Authority employed approximately 5,900 full-time and approximately 500 part-time employees. Approximately 97% of employees are represented by one of 29 labor organizations. The largest, Local 589 Amalgamated Transit Union, represents nearly 3,500 Authority employees. The collective bargaining agreement between the Authority and Local 589 Amalgamated Transit Union expires on June 30, 2018. This most recent collective bargaining agreement, entered August 21, 2014, includes general wage increases of 1% as of July 1, 2014, 1.5% as of January 1, 2015, and 2.5% as of July 1, 2015, 2016 and 2017.

## **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 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.”

For Fiscal Year 2016, the Authority’s operating expenses (excluding debt service) are expected to be \$1.569 billion and debt service is expected to be approximately \$452 million.

Dedicated Revenues for Fiscal Year 2016 are estimated to be approximately \$1.149 billion, including approximately \$986.3 million of Dedicated Sales Tax and approximately \$162.9 million of Assessments. The Dedicated Sales Tax figure is the base revenue amount certified by the Comptroller on March 6, 2015 to be credited to the State and Local Contribution Fund during Fiscal Year 2016, and which exceeds the projected dedicated sales tax revenue amount for such Fiscal Year, of \$963.8 million. See “DEDICATED SALES TAX” and “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”

The Authority generates significant revenues from operation of its transportation system, including both fare revenues and non-fare revenues such as those derived from parking and advertising. The Authority also generates other non-operating revenues. The aggregate of all fare revenues and non-fare revenues is expected to be \$702 million for Fiscal Year 2016.

The Authority’s Fiscal Year 2016 operating budget is balanced, but relies on a \$187 million payment to the Commonwealth Transportation Fund that is earmarked for the MBTA.

As shown in the table under the heading “DEDICATED SALES TAX,” since 2000, the growth in the Dedicated Sales Tax has been much slower than overall historical trends. In addition, due to the limited growth in the inflation index, the Authority had received minimal or no increases in the base revenue amount each year since 2000. During such period, operating expenses continued to and are expected to continue to grow in the future based on the rising costs of health care, energy, paratransit services, commitments under collective bargaining agreements and other factors.

Under the Control Board Act, the Control Board shall formulate and recommend a plan to the Secretary to stabilize and strengthen the finances, management, operations and asset condition of the

MBTA and develop performance metrics and measure items in the plan. Such plan shall (i) provide a safe, reliable and sustainable transit system consistent with MassDOT's comprehensive state transportation plan; (ii) establish fiscal stability, including short-term and long-term planning to ensure that the MBTA's budgets are aligned with its operational and capital needs; (iii) reorient the MBTA to focus on providing better service to its current riders and on attracting future riders; (iv) facilitate sound management and a safe and effective workplace; and (v) develop a financially responsible, long-range approach to preserving and modernizing the MBTA's assets and meeting future needs for regional transit facilities and services consistent with the long-term program for mass transportation.

In accordance with the Control Board Act, on September 22, 2015, the Control Board submitted a preliminary report, its Baseline Analysis and Progress to Date, to the Secretary, the Secretary of Administration and Finance of the Commonwealth and certain members of the state legislature with a preliminary analysis of and management plans to address the Authority's structural operating deficit and its capital and maintenance needs through 2021 and beyond, including addressing the state of good repair backlog. Not later than December 15 of each year of its existence, the Control Board will report on the MBTA's own-source revenue, operating budget, capital plan and progress toward meeting performance metrics and targets, including progress in: (i) maintaining a priority list of immediate capital needs and procurement and implementation plans; (ii) imposing a barrier between the commingling of operating and capital budgets; (iii) increasing own-source revenue; (iv) conducting thorough reviews and analyses of all proposals for system expansion, taking into account operating and capital costs, benefits to current and new riders and economic development impacts; (v) centralizing authority procurement and contracting, implementing best procurement and contracting practices and sharing or consolidating authority procurement and contracting with that of the department consistent with this act; (vi) planning and preparedness processes and adopting an incident command system; (vii) reorganizing internal structure along modal business lines; (viii) maintaining 1-year and 5-year operating plans and budgets; (ix) maintaining a 20-year capital plan for the restoration of physical assets; (x) improving customer relations and instituting a customer-oriented performance management program; (xi) identifying and implementing best practices supporting workforce productivity and engagement; (xii) reducing employee absenteeism; (xiii) reducing barriers to public-private partnerships; and (xiv) utilizing the lease and sale of real estate assets to support the long-term health of the system and implementing value capture strategies.

The Enabling Act includes specific benchmarks for own-source revenues in the MBTA budget. In particular, for fiscal years 2014-2018, the Authority must provide own source revenues of 31.5%, 33.0%, 33.25%, 32.75%, and 34.0%, respectively, of the total budget. The revenue generated to meet these benchmarks may be derived from any funds collected by the Authority through fees and fares and any other funds directly collected by the Authority; provided, however, that such revenue shall not include funds contributed to the State and Local Contribution Fund. In addition, the Authority is prohibited from increasing fares at intervals of less than 24 months or at an annual rate greater than 5%.

The Bonds are secured by a first lien on Dedicated Sales Tax and other Pledged Revenues, prior to the payment of operating expenses. See "SECURITY FOR THE SALES TAX BONDS – Additional Indebtedness" for information regarding debt service coverage on the Bonds.

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 "ASSESSMENT BOND TRUST AGREEMENT AND 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. See “SECURITY FOR THE SALES TAX BONDS – Pledge Under the Sales Tax Bond Trust Agreement” and “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”

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 \$986.3 million for Fiscal Year 2016 and is subject to adjustment in future years in accordance with the Enabling Act. See “DEDICATED SALES TAX.”

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

As of September 1, 2015, the Authority had outstanding \$229.9 million aggregate principal amount of General Transportation System Bonds issued under its General Transportation Bond Resolution. The General Transportation System Bonds include \$168.1 million principal amount bearing interest at variable rates. Under the supplemental resolutions authorizing such variable rate General Transportation System Bonds, the interest rate on such bonds may not exceed 12% per annum. As described under “Hedge Agreements” below, the Authority has hedged such variable rate obligations. 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 as of September 1, 2015:

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

<b>Year</b>	<b>Principal</b>	<b>Interest<sup>(2)</sup></b>	<b>Total</b>	<b>Year</b>	<b>Principal</b>	<b>Interest<sup>(2)</sup></b>	<b>Total</b>
2016	\$23,450,000	\$15,865,785	\$39,315,785	2024	\$11,495,000	\$6,962,900	\$18,457,900
2017	9,630,000	14,363,225	23,993,225	2025	12,300,000	6,158,250	18,458,250
2018	17,315,000	13,711,700	31,026,700	2026	13,160,000	5,297,250	18,457,250
2019	18,840,000	12,507,675	31,347,675	2027	14,080,000	4,376,050	18,456,050
2020	19,095,000	11,203,050	30,298,050	2028	15,065,000	3,390,450	18,455,450
2021	20,420,000	9,881,400	30,301,400	2029	16,120,000	2,335,900	18,455,900
2022	10,955,000	8,467,825	19,422,825	2030	17,250,000	1,207,500	18,457,500
2023	10,740,000	7,714,700	18,454,700				

*Source: The MBTA*

<sup>(1)</sup> Includes both principal and interest portions of lease payments for leases that constitute Prior Obligations.

<sup>(2)</sup> Assumes a 7% interest rate per annum for 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 \$168.11 million, both of which bear interest at a variable rate reset weekly. For a description of an interest rate swap agreement related to the 2000 Bonds, see “Hedge Agreements.”

*Hedge Agreements.* In December 2001, the Authority entered into two swaptions with Bear Stearns Financial Products Inc., which has been succeeded by merger to JPMorgan Chase & Co., in current notional amounts of \$75,480,000 and \$79,645,000, respectively, both of which have been exercised. The first swap hedges a portion of the Authority’s Senior Sales Tax Bonds, 2003 Series B-1 and 2003 Series B-2 (collectively, the “2003 Series B Bonds”). The 2003 Series B Bonds were redeemed in March 2008 from the proceeds of commercial paper which remain outstanding and the swap agreement remains in effect. The Authority received an exercise premium in the amount of \$2,019,515, which was applied, together with a portion of the proceeds of the 2003 Series B Bonds, to refund the portion of the Authority’s General Transportation System Bonds, 1993 Series A Refunding, maturing March 1, 2022. Pursuant to the swap agreement, the Authority receives a variable rate equal to the Securities Industry and Financial Markets Association (formerly the Bond Market Association) Municipal Swap Index (the “SIFMA Index”) and pays a fixed rate of 5.20%. The other swap hedges the Authority’s Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2010 Series A; the Authority received an exercise premium in the amount of \$1,035,385. Pursuant to the swap agreement, the Authority receives a variable rate equal to the SIFMA Index and pays a fixed rate of 5.61%. These swap agreements are Qualified Hedge Agreements under the Sales Tax Bond Trust Agreement, so 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. Any payments made by the Authority in the event the counterparty is in default are general unsecured obligations of the Authority. See “SECURITY FOR THE SALES TAX BONDS” and APPENDIX A –



“SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX BOND TRUST AGREEMENT – Hedging Transactions.”

In July 2001, the Authority entered into a swaption with UBS AG in the current notional amount of \$168,110,000, equal to the par amount of the Authority’s General Transportation System Bonds, Variable Rate Demand Obligations, 2000 Series A-1 and A-2, which swaption was exercised making the swap effective September 1, 2005. Under such swap, the Authority receives a variable rate equal to 67% of the London Interbank Offering Rate (“LIBOR”) and pays a fixed rate of 5%. The Authority’s payments to UBS AG under the swap agreement are subordinate to the payment of debt service on Sales Tax Bonds and Assessment Bonds.

In February 2004, the Authority entered into a swap with Morgan Stanley Capital Services, Inc. in the current notional amount of \$25,005,000, which is equal to the par amount of the portion of the Authority’s Senior Sales Tax Bonds, 2003 Series C, maturing July 1, 2020 (the “CPI Bonds”) and bearing interest at a variable rate based on the Consumer Price Index (“CPI”). This swap provides that the Authority will pay a fixed rate of 4.13% and receive a floating rate based on the CPI plus 79 basis points. The purpose of this swap transaction is to hedge the Authority’s exposure to changes in the CPI, which determines the floating rate at which the CPI Bonds bear interest. This swap agreement for the CPI Bonds is not a Qualified Hedge Agreement under the Sales Tax Bond Trust Agreement, so regularly scheduled payments under such swap agreement are made under the Sales Tax Bond Trust Agreement from the General Fund under the Sales Tax Bond Trust Agreement, and payments received by the Authority are deposited in the Pledged Revenue Fund. Termination payments and payments made by the Authority while the counterparty is in default are general unsecured obligations of the Authority.

On October 1, 2008, the Authority entered into four swap agreements with Deutsche Bank AG. Two of the agreements are in the notional amounts of \$19,260,000 and \$5,000,000, respectively, which are equal to the par amounts of the CPI Bonds issued in connection with its Assessment Bonds, 2006 Series A. These swaps provide that the Authority will pay a fixed rate of 4.67% and 4.66%, respectively, on the notional amounts and will receive a floating rate on the notional amounts based on the rate on the CPI Bonds plus 123 basis points. The third agreement is in the current notional amount of \$130,275,000, which is equal to the par amount of the Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2008 Series A-1 (the “2008 Series A-1 Bonds”) issued on April 2, 2008. Pursuant to such swap, the Authority pays a fixed rate of 3.834% on the notional amount. In exchange, the Authority receives a variable rate on the notional amount equal to the SIFMA Index. The fourth agreement is in the current notional amount of \$121,415,000, which is equal to the par amount of the Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2008 Series A-2 (the “2008 Series A-2 Bonds”) issued on April 2, 2008. Pursuant to such swap, the Authority pays a fixed rate of 3.083% on the notional amount. In exchange, the Authority receives a variable rate on the notional amount equal to the sum of 62% of LIBOR and 24 basis points. These swap agreements with Deutsche Bank AG are not Qualified Hedge Agreements under the Sales Tax Bond Trust Agreement, so payments under such swap agreement are made under the Sales Tax Bond Trust Agreement from the General Fund, and payments received by the Authority are deposited in the Pledged Revenue Fund. Any payments made by the Authority in the event the counterparty is in default will be general unsecured obligations of the Authority. See “SECURITY FOR THE SALES TAX BONDS” and APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX BOND TRUST AGREEMENT – Hedging Transactions.”

*Assessment Bonds.* The Authority has issued six series of Assessment Bonds, which, as of September 1, 2015 were outstanding in the aggregate principal amount of \$858,550,000. Under the Assessment Bond Trust Agreement, the Authority pledges to the payment of obligations thereunder pledged revenues, including Assessments. The outstanding Assessment Bonds amortize through July 1, 2041. See “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”

*Sales Tax Bonds.* As of September 1, 2015, \$3,714,137,000 in aggregate principal amount of Sales Tax Bonds were outstanding.

In addition, the Authority maintains a commercial paper program under the Sales Tax Bond Trust Agreement in the aggregate principal amount not to exceed \$250 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 September 1, 2015, \$94,350,000 in aggregate principal amount of such notes was outstanding, a portion of which constitutes the notes initially issued to redeem the 2003 Series B Bonds in 2008.

*Metropolitan Boston Transit Parking Corporation Bonds.* In 2011, the Authority established the Metropolitan Boston Transit Parking Corporation (the “MBTPC”) solely for the purpose of issuing bonds on behalf of the Authority secured by the gross revenues generated by the Authority’s parking facilities. MBTPC is a Massachusetts nonprofit corporation and agency and instrumentality of the Authority. The Authority is the sole member of the MBTPC. The MBTPC’s Board of Directors consists of three ex officio management employees of the Authority. The MBTPC has issued one series of Bonds, which, as of September 1, 2015 were outstanding in the aggregate principal amount of \$304,585,000.

*Equipment Leases.* The Authority has 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.

*Approval of the Control Board and Board.* Under the Control Board Act, the Board may amend any borrowing authorization to finance or refinance any debt of the Authority in accordance with the law and upon a recommendation of the Control Board.

### **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”) which must be submitted for comment and recommendation to the Advisory Board not less than 60 days prior to the adoption thereof. The Authority shall prepare a written response to reports submitted to it by the Advisory Board which response shall state the basis for any substantial divergence between the actions of the Authority and the recommendations contained in such reports of the Advisory Board. In addition, the Authority is required to implement the Program through rolling five-year capital investment programs adopted each year (each, a “CIP”). Each year, following public hearings with respect thereto, the Authority shall file the CIP with the Advisory Board and the Legislature for their review not later than January 15 and May 1, respectively, prior to the commencement of the Fiscal Year. 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. In anticipation for the transition to the Control Board, for Fiscal Year 2016, the Authority adopted a one-year CIP for Fiscal Year 2016 which updates the Fiscal Year 2015-2019 CIP, and the Authority with the Control Board continues to develop the Fiscal Year 2017-2021 CIP.

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.

Total anticipated expenditures under the Authority's Fiscal Year 2016 Capital Investment Program equal approximately \$1.05 billion. Of such amount, approximately \$342 million is expected to be financed from Commonwealth bonds, \$169 million is expected to be funded from the proceeds of Authority bonds and approximately \$479 million is expected to be funded from federal aid (including \$18.2 million for projects funded under the American Recovery and Reinvestment Act of 2009 and \$3.8 million of Homeland Security funds), with the remainder funded from (i) pay-as-you-go capital funds, including amounts on deposit in the Capital Maintenance Fund, (ii) state and third-party reimbursements, and (iii) other financings. The current capital program funds a variety of projects, including those necessary to comply with legal commitments, such as funding of the positive train control project and the extension of the Authority's light rail green line to Somerville and Medford, both described below. Federal aid for transit programs has historically been provided pursuant to multi-year authorizations. The most recent federal multi-year authorization was the Moving Ahead for Progress in the 21<sup>st</sup> Century Act ("MAP-21"), which provided funding through federal fiscal year 2014 and has been extended through October 29, 2015. The Authority's Fiscal Year 2016 Capital Investment Program assumes federal funding, other than carryover funding, at the same level.

Federal law mandates that the Authority install by December 15, 2015 positive train control on the commuter rail system to enhance safety. Positive train control will include enhancements to the communications and signal systems on the Authority's commuter rail system, as well as Amtrak and other commercial users of the Authority's right of way. The total cost to the Authority for the project is preliminarily estimated to be \$489.6 million and is currently expected to be completed by 2020. The Fiscal Year 2016 Capital Investment Program funds an initial approximately \$24 million portion. The Authority is seeking to fund most of the project from loan programs provided by the United States Department of Transportation, which loans may be secured by amount on deposit under the Sales Tax Trust Agreement following payment of Sales Tax Bonds and Prior Obligations. A portion of such costs may be funded from Sales Tax Bonds. The Authority is also exploring options to accelerate the project schedule.

The Authority's Fiscal Year 2016 Capital Investment Program funds approximately \$251.8 million for the light rail green line extension to Somerville and Medford. The project had been budgeted for approximately \$1.992 billion and had received approval for federal funding in the amount of \$996 million with the balance of the project (\$996 million) to be funded by the Commonwealth. Based on actual bids received from bidders on a portion of the project and other factors, the Authority has determined that the total project cost may increase by \$700 million to \$1 billion. The Commonwealth and the Authority are working to manage project costs, to address the funding gap and to preserve the federal funding. While current alternative funding options being considered by the Authority and the Commonwealth, in the event the Authority proceeds with the green line extension project, do not include the issuance of Sales Tax Bonds or Assessment Bonds, there can be no assurance that funding of the project will not include any funding by the Authority.

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 are 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."

## APPLICATION OF FUNDS

The proceeds from the sale of the Bonds, including original issue premium in the amount of \$54,419,550.00, and \$4,830,653.05 from the accounts of the Senior Debt Service Fund for the Refunded Bonds under the Sales Tax Bond Trust Agreement are expected to be applied as follows:

To refund the Refunded Bonds	\$215,265,152.37
To pay capital costs	200,000,000.00
To pay the costs of issuance of the Bonds, including underwriters' discount	<u>2,390,050.68</u>
Total Application of Funds	<u>\$417,655,203.05</u>

The Senior Debt Service Reserve Fund for the Bonds will be fully funded from amounts available under the Sales Tax Bond Trust Agreement.

## PLAN OF REFUNDING

The proceeds of the Series B Bonds will be deposited in accounts of the refunding trust fund held by U.S. Bank National Association, Boston, Massachusetts, as refunding trustee, in amounts which will be invested in obligations of the United States of America or one or more of its agencies or instrumentalities fully guaranteed by the United States of America to defease the Refunded Bonds. Such investments will mature at such times and earn interest in such amounts that will produce sufficient money to provide for the payment of principal of and redemption premium, if any, and interest on the Refunded Bonds as set forth in APPENDIX G – “LIST OF REFUNDED BONDS.” The issuance of the Series B Bonds and the refunding of the Refunded Bonds are subject to market conditions at the time of the sale of the Series B Bonds. Subject to market conditions at the time of the sale, the Authority may refund additional bonds.

## THE BONDS

The Series A Bonds will be issued in the aggregate principal amount of \$177,855,000. The Series B Bonds will be issued in the aggregate principal amount of \$180,550,000. 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 rate, all as set forth on the inside cover hereof. Interest on the Bonds will be payable on July 1 and January 1, commencing January 1, 2016.

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 at Par

The Bonds maturing on and after July 1, 2026 are subject to redemption prior to maturity, in whole or in part on any date on or after July 1, 2025 at the option of the Authority, and in such order of maturity as

may be directed by the Authority, at a redemption price equal to 100% of the principal amount of such Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

### **Mandatory Sinking Fund Redemption**

The Series A Bonds maturing on July 1, 2040 shall be subject to mandatory sinking fund redemption and shall be redeemed prior to their stated maturity, from sinking fund installments, payable on July 1 of the years and in the amounts set forth below, at a price of 100% of the principal amount of such Series A Bonds called for redemption, plus accrued interest to the redemption date.

<u>Year</u>	<u>Sinking Fund Redemption</u>
2036	\$7,810,000
2037	8,210,000
2038	8,630,000
2039	9,070,000
2040 <sup>†</sup>	9,535,000

<sup>†</sup> Final maturity.

The Series A Bonds maturing on July 1, 2045 and bearing interest at 4.00% shall be subject to mandatory sinking fund redemption and shall be redeemed prior to their stated maturity, from sinking fund installments, payable on July 1 of the years and in the amounts set forth below, at a price of 100% of the principal amount of such Series A Bonds called for redemption, plus accrued interest to the redemption date.

<u>Year</u>	<u>Sinking Fund Redemption</u>
2041	\$4,515,000
2042	4,745,000
2043	4,990,000
2044	5,240,000
2045 <sup>†</sup>	5,510,000

<sup>†</sup> Final maturity.

The Series A Bonds maturing on July 1, 2045 and bearing interest at 5.00% shall be subject to mandatory sinking fund redemption and shall be redeemed prior to their stated maturity, from sinking fund installments, payable on July 1 of the years and in the amounts set forth below, at a price of 100% of the principal amount of such Series A Bonds called for redemption, plus accrued interest to the redemption date.

<u>Year</u>	<u>Sinking Fund Redemption</u>
2041	\$5,490,000
2042	5,725,000
2043	5,970,000
2044	6,225,000
2045 <sup>†</sup>	6,485,000

<sup>†</sup> Final maturity.

The principal amount of the Bonds required to be redeemed on any redemption date pursuant to the operation of mandatory sinking fund redemption provisions will be reduced, at the option of the Authority, by the principal amount of any Bond scheduled for redemption on such redemption date or dates, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) have been acquired by the Authority and delivered to the Trustee for cancellation, (2) have been acquired and canceled by the Trustee, at the direction of the Authority, at a price not exceeding the principal amount of such Bond plus accrued interest to the date of acquisition thereof, or (3) have been redeemed pursuant to the optional redemption provisions and not previously credited to a scheduled mandatory redemption. Upon such purchase of such Bonds, the Trustee shall then credit an amount equal to the principal of such Bonds so purchased towards the sinking fund installments for the Bonds of such maturity on a pro rata basis in accordance with a certificate of the Authority, which will direct the reduction of a ratable portion of each annual mandatory sinking fund installment requirement, in accordance with the procedures set forth under "Selection of Bonds to be Redeemed" below.

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

If less than all of the Bonds are to be redeemed, the particular maturities of Bonds to be redeemed at the option of the Authority will be determined by the Authority in its sole discretion.

If the Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of such Bonds, if less than all of the Bonds of a maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

The Authority intends that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the Authority nor the Underwriters can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of Bonds on such basis.

If the Bonds are no longer registered in book-entry-only form, each owner will receive an amount of Bonds equal to the original face amount then beneficially held by that owner, registered in such investor's name. Thereafter, any redemption of less than all of the Bonds of any maturity will continue to be paid to the registered owners of such Bonds on a pro-rata basis, based on the portion of the original face amount of any such Bonds to be redeemed.

### **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 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 30 days but not more than 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 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 the Bonds, each in the aggregate principal amount of such maturity, 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 Standard & Poor's 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 of Bonds 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 neither the Authority nor the Underwriters takes 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 may be exchanged for an equal aggregate principal amount of 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 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 SENIOR SALES TAX BONDS

The following table sets forth Debt Service on all of the outstanding Senior Sales Tax Bonds to be paid to Bondowners in each Fiscal Year in which the Senior Sales Tax Bonds will be outstanding.

Fiscal Year Ending June 30	Debt Service on Outstanding Senior Sales Tax Bonds *	Principal on the Bonds	Interest on the Bonds	Total Debt Service on the Bonds	Total Debt Service on Senior Sales Tax Bonds *
2016	\$314,987,901	-	\$3,607,429	\$3,607,429	\$318,595,330
2017	367,785,950	-	16,865,900	16,865,900	384,651,850
2018	361,261,717	-	16,865,900	16,865,900	378,127,617
2019	365,367,769	-	16,865,900	16,865,900	382,233,669
2020	356,514,538	\$11,455,000	16,579,525	28,034,525	384,549,063
2021	355,373,004	-	16,293,150	16,293,150	371,666,154
2022	382,670,794	-	16,293,150	16,293,150	398,963,944
2023	290,739,941	4,095,000	16,213,275	20,308,275	311,048,216
2024	344,711,788	4,285,000	16,026,275	20,311,275	365,023,063
2025	295,171,516	14,940,000	15,545,650	30,485,650	325,657,166
2026	276,287,239	19,570,000	14,682,900	34,252,900	310,540,139
2027	269,718,439	20,205,000	13,688,525	33,893,525	303,611,964
2028	250,138,200	21,230,000	12,652,650	33,882,650	284,020,850
2029	236,027,430	13,245,000	11,790,775	25,035,775	261,063,205
2030	230,065,224	44,240,000	10,353,650	54,593,650	284,658,874
2031	206,584,085	21,550,000	8,708,900	30,258,900	236,842,985
2032	174,370,901	6,360,000	8,042,950	14,402,950	188,773,851
2033	143,389,850	15,640,000	7,602,950	23,242,950	166,632,800
2034	126,755,064	16,395,000	6,914,725	23,309,725	150,064,789
2035	168,251,414	7,170,000	6,395,900	13,565,900	181,817,314
2036	90,727,114	39,875,000	5,455,000	45,330,000	136,057,114
2037	75,200,748	7,810,000	4,462,250	12,272,250	87,472,998
2038	74,879,741	8,210,000	4,061,750	12,271,750	87,151,491
2039	52,982,174	8,630,000	3,640,750	12,270,750	65,252,924
2040	52,696,169	9,070,000	3,198,250	12,268,250	64,964,419
2041	37,586,804	9,535,000	2,733,125	12,268,125	49,854,929
2042	17,655,250	10,005,000	2,267,200	12,272,200	29,927,450
2043	17,635,250	10,470,000	1,801,625	12,271,625	29,906,875
2044	17,617,250	10,960,000	1,314,550	12,274,550	29,891,800
2045	17,599,250	11,465,000	805,075	12,270,075	29,869,325
2046	-	11,995,000	272,325	12,267,325	12,267,325

\* Excludes the Refunded Bonds. Includes \$74,350,000 principal amount of the Senior Sales Tax Bonds, 2003 Series B, which were issued as auction rate securities in two subseries. Such bonds were optionally redeemed by the Authority on March 5 and 19, 2008, from the proceeds of commercial paper Sales Tax Bond Anticipation Notes. Assumes that the \$68,815,000 principal amount thereof bears interest at the fixed rate under the swap agreement associated with the 2003 Series B Bonds and that the remaining, unhedged portion bears interest at the rate of 7% per annum, that the \$25,005,000 principal amount of the CPI Bonds of the 2003 Series C Bonds bears interest at the fixed rate of 4.13% per annum under the interest rate swap associated with those bonds, and that the \$130,275,000 principal amount of 2008 Series A-1 Bonds bears interest at the fixed rate of 3.834% per annum and that the \$121,415,000 principal amount of 2008 Series A-2 Bonds bears interest at the fixed rate of 3.083% per annum, in each case based on the fixed rate payable under the interest rate swap associated with that series of bonds. With respect to the 2010 Series A Bonds, the \$79,645,000 hedged portion is based on the fixed rate payable under the interest rate swap associated with such bonds and the unhedged portion at the rate of 7% per annum. Includes \$20,000,000 of unhedged commercial paper notes expected to amortize in Fiscal Year 2016, interest on which is calculated at the rate of 7% per annum. For a description of such swap agreements, see "THE AUTHORITY – Indebtedness – Hedge Agreements."

## **SECURITY FOR THE SALES TAX BONDS**

The principal of and premium, if any, and interest on the Sales Tax 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 SALES TAX BOND TRUST AGREEMENT – The Pledge Effected by the Sales Tax Bond Trust Agreement.” All of the Sales Tax Bonds are also secured by a lien and charge on all funds and accounts created under the Sales Tax Bond Trust Agreement (other than the Bond Proceeds Fund, while it is held 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.

The Bonds will be the twenty-seventh and twenty-eighth series of Sales Tax Bonds to be issued under the Sales Tax Bond Trust Agreement. 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 Sales Tax Bonds are not subject to acceleration in the event of any default under the Sales Tax 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 \$250 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 September 1, 2015, \$94,350,000 in aggregate principal amount of such notes were outstanding, a portion of which notes were initially issued to redeem the 2003 Series B Bonds (auction rate bonds) in 2008 and have been repaid in accordance with the original amortization schedule for the 2003 Series B Bond.

### **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 “Provision for 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; 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 2016 budget, the Authority has certified that it has provided for the payment of Prior Obligations during Fiscal Year 2016 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 A – “SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX BOND TRUST AGREEMENT.”

**The Sales Tax 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 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.

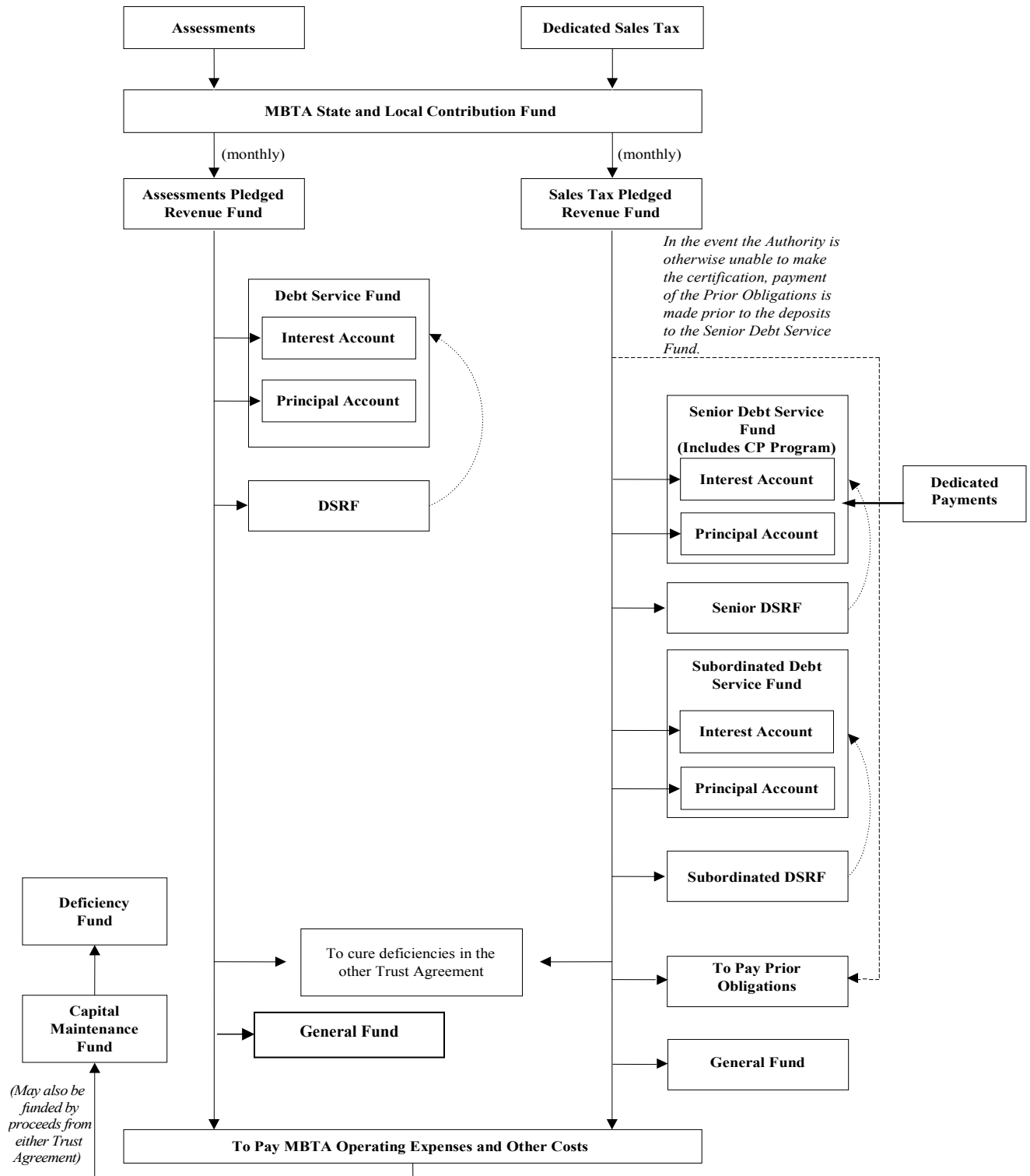
The Sales Tax Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Authority:

- (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.

*[Remainder of page intentionally left blank.]*

Set forth below 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 SALES TAX BOND TRUST AGREEMENT – Establishment of Funds and Accounts” through “Subordinated Debt Service Reserve Fund” and in APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE ASSESSMENT BOND TRUST AGREEMENT – Establishment of Funds and Accounts” through “Debt Service Reserve Funds,” respectively.



## **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.

## **Pledge of Amounts Payable Under the Assessment Bond Trust Agreement**

Under the Assessment Bond Trust Agreement, the Authority pledges to the payment of Assessment Bonds pledged revenues, including the Assessments. The Authority has issued six series of Assessment Bonds, which, as of September 1, 2015 were outstanding in the aggregate principal amount of \$858,550,000.

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. Each year thereafter, Assessments were adjusted for inflation, provided that such amount could not increase by more than 2.5% annually. Total Assessments for each of Fiscal Years 2010 and 2011 were \$150,148,212. Total Assessments for Fiscal Years 2012, 2013 and 2014 were \$152,100,140, \$155,902,648, and \$157,149,865, respectively. Total Assessments for Fiscal Year 2015 were budgeted to be \$160,135,712 and \$162,858,019 for Fiscal Year 2016. Under the Sales Tax Bond Trust Agreement, to the extent the amounts in the Senior Debt Service Fund or the Subordinated Debt Service Fund are insufficient to pay Net Debt Service on Sales Tax Bonds, including the Bonds, the Trustee shall deliver 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 from the Pledged Revenue Fund under the Assessment 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 Assessment Bonds issued under the Assessment Bond Trust Agreement. For further information relating to the Assessment Bond Trust Agreement and Assessments, see “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS” and APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE ASSESSMENT BOND TRUST AGREEMENT.”

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

As described under “Flow of Funds,” in the event the Trustee shall have received a certificate of the trustee under the Assessment Bond Trust Agreement that amounts on deposit in any debt service fund thereunder are insufficient to pay debt service on any Assessment Bonds issued thereunder, 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 Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Subordinated Debt Service Fund, the Subordinated Debt Service Reserve Fund and the Rebate Fund.

## **Senior Debt Service Reserve Fund**

To the extent that amounts in the Senior Debt Service Fund, together with amounts transferred from the Assessment Bond Trust Agreement as described above under “Pledge of Amounts Payable Under the Assessment Bond Trust Agreement,” are insufficient to pay Net Debt Service, when due, on Senior Sales Tax Bonds, deficiencies shall be made up from amounts in the Senior Debt Service Reserve Fund. The Sales Tax Bond Trust Agreement requires the Authority to maintain cash and investment obligations or surety bonds, insurance policies, letters of credit or similar instruments in the Senior Debt Service Reserve Fund

equal to 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 (the “Senior Debt Service Reserve Fund Requirement”); provided that such amount shall not be less than the Minimum Senior Debt Service Reserve Requirement. The Minimum Senior Debt Service Reserve Requirement shall equal the sum of the least of the following amounts for the Bonds and any series of Senior Sales Tax Bonds: 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 such series in any future Fiscal Year, or, in any event, such lesser amount as may be required to comply with the Code. See APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX BOND TRUST AGREEMENT – Definitions” and “– Senior Debt Service Reserve Fund.” To the extent that the amount on deposit in the Senior Debt Service Reserve Fund is less than the Senior Debt Service Reserve Fund Requirement, the Authority is required to restore the amount on deposit in such Senior Debt Service Reserve Fund. Upon issuance of the Bonds, the Senior Debt Service Reserve Fund will be funded in an amount at least equal to the Minimum Senior Debt Service Reserve Fund Requirement.

### **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 Assessment Bonds under the Assessment Bond Trust Agreement and to the holders of Sales Tax Bonds under the Sales Tax 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 his sole discretion. As of September 1, 2015, the Deficiency Fund had a balance of \$6.7 million and the Capital Maintenance Fund Requirement equaled \$29.5 million. Each of the Deficiency Fund and the Capital Maintenance Fund is held by the Authority. See “THE AUTHORITY – Operations.”

### **Additional Indebtedness**

One or more additional series of Sales Tax 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 Sales Tax 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 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 such series shall be authenticated only upon receipt by the Trustee (in addition to the other documents required under the Sales Tax Bond Trust Agreement for the issuance of Sales Tax Bonds) of 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; (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 (i)(b) and (ii) the amount set forth in clause (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 (i)(c), divided by, for each such Fiscal Year, the amount set forth in clause (i)(a) and clause (i)(b), respectively, is equal to or greater than 2.00 and 1.50, respectively. See APPENDIX A – “SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX BOND TRUST AGREEMENT – Provisions For Issuance Of Sales Tax Bonds.”

For Fiscal Years 2016 – 2046, coverage for purposes of the additional bonds tests described in the preceding paragraph are projected to be approximately 10.13 to 35.78 for the purpose of the test set forth in clause (iii) above and approximately 2.51 to 80.40 for the test set forth in clause (iv)(a) above, in each case after giving effect to the issuance of the Bonds and the refunding of the Refunded Bonds.

Under the Sales Tax Bond Trust Agreement, “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. Under the Sales Tax Bond Trust Agreement, “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, and “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; (iii) Subordinated Net Debt Service; and (iv) debt service on indebtedness (other than Indebtedness) issued under the Sales Tax Bond Trust Agreement and secured by a pledge of or security interest in and payable from the Dedicated Sales Tax.

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 a lien or right with respect to the Pledged Revenues or the Funds and Accounts created by or pursuant to the Sales Tax Bond Trust Agreement.

The Sales Tax 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 Sales Tax Bond Trust Agreement for the benefit of Sales Tax 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 and Co-Bond Counsel, this covenant is a valid contract between the Commonwealth and the holders of Sales Tax Bonds and Assessment 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 Sales Tax Bonds and Assessment 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.

The Control Board Act confirms the foregoing covenants and provides further assurance with respect to outstanding indebtedness of the Authority, including the Sales Tax Bonds. The Control Board Act provides no existing rights of the holders of bonds, notes and other financing obligations issued by or on behalf of the Authority under the Enabling Act shall be impaired and nothing in the Control Board Act shall be construed to alter or grant the power to alter existing agreements securing the bonds or other obligations, hedge agreements or investment contracts pertaining thereto, other than in accordance with their terms. The Control Board Act requires the Authority to maintain the covenants and agreements of the trust agreements, bond resolutions and other instruments pertaining to such bonds and other obligations secured thereunder so long as such bonds and other obligations shall remain outstanding. The Control Board may not control or have the power to alter or otherwise impair the trust imposed by the Enabling Act and may not have the power to alter or otherwise impair the other Commonwealth covenants set forth in the Enabling Act.

## **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 \$986,274,139 for Fiscal Year 2016, is adjusted by the percentage change in inflation, as measured by the Boston Consumer Price Index (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.

The following table sets forth, for Fiscal Year 2001 through Fiscal Year 2016, the base revenue amount as certified by the Comptroller in accordance with the Enabling Act:

Fiscal Year	Base Revenue Amount	Percent Increase
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*	21.4*
2016	986,274,139	1.61

\*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 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 March 6, 2015, the Comptroller certified, with respect to Fiscal Year 2016, that the base revenue amount was \$986.27 million, which exceeds the projected dedicated sales tax revenue for Fiscal Year 2016 of \$963.85. The difference is to be credited to the State and Local Contribution Fund.

For detailed information regarding monthly deposits of the Dedicated Sales Tax to the State and Local Contribution Fund, see APPENDIX F – “HISTORY OF DEDICATED SALES TAX RECEIPTS.”

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 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 2015, 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 2010 through 2015 were \$2,654,534, \$2,824,648, \$2,539,545, \$3,276,023, \$3,055,056, \$3,836,724, and \$5,605,840 respectively.

Historical Commonwealth Sales Tax Receipts\*

Fiscal Year	Sales Tax Receipts	MBTA Sales Tax Receipts**	% Increase/ (Decrease)	Fiscal Year	Sales Tax Receipts	MBTA Sales Tax Receipts**	% Increase/ (Decrease)
1978	\$520,701,180	\$104,140,236	17.8	1997	\$2,494,701,986	\$498,940,397	10.8
1979	577,811,734	115,562,347	11.0	1998	2,572,447,261	514,489,452	3.1
1980	608,428,226	121,685,645	5.3	1999	2,833,016,602	566,603,320	10.1
1981	704,188,866	140,837,773	15.7	2000	3,107,166,500	621,433,300	9.7
1982	753,147,231	150,629,446	7.0	2001	3,272,953,839	654,590,768	5.3
1983	865,291,925	173,058,385	14.9	2002	3,193,946,638	638,789,328	(2.4)
1984	1,041,797,387	208,359,477	20.4	2003	3,196,008,691	639,201,738	0.1
1985	1,209,522,818	241,904,564	16.1	2004	3,211,141,238	642,228,248	0.5
1986	1,452,092,246	290,418,449	20.1	2005	3,330,838,208	666,167,642	3.7
1987	1,600,004,046	320,000,809	10.2	2006	3,420,208,843	684,041,769	2.7
1988	1,733,312,576	346,662,515	8.3	2007	3,458,884,551	691,776,910	1.1
1989	1,787,062,915	357,412,583	3.1	2008	3,453,776,709	690,755,342	(0.1)
1990	1,660,519,469	332,103,894	(7.1)	2009	3,239,083,506	647,816,701	(6.2)
1991	1,617,727,175	323,545,435	(2.6)	2010	3,852,057,082	637,083,944	(1.7)
1992	1,682,319,431	336,463,886	4.0	2011	4,091,484,725	654,642,631	2.8
1993	1,820,971,551	364,194,310	8.2	2012	4,190,557,744	670,494,063	2.4
1994	1,978,773,555	395,754,711	8.7	2013	4,262,749,824	682,046,396	1.7
1995	2,136,971,274	427,394,255	8.0	2014	4,546,991,713	727,518,674	6.7
1996	2,252,083,428	450,416,686	5.4	2015***	4,775,082,197	924,110,869	27.0

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. See also Appendix F – History of Dedicated Sales Tax Receipts.

\*\*\* 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 and use 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. Based on information provided by the Department of Revenue, (i) the rate increase to 6.25% produced additional gross sales tax receipts of approximately \$739 million in Fiscal Year 2010, \$918 million in Fiscal Year 2011, \$963 million in Fiscal Year 2012, \$983 million in Fiscal Year 2013, \$1.046 billion in Fiscal Year 2014, and \$1.099 billion in Fiscal Year 2015 and (ii) the tax on alcohol sales was estimated to have generated approximately \$96.6 million and \$81.0 million in Fiscal Year 2010 and Fiscal Year 2011 (through the date of its repeal on January 1, 2011), respectively. 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 and uses 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. The Commonwealth's Fiscal Year 2015 and Fiscal Year 2016 budgets, respectively, included projected totals of \$502.1 million and \$542.5 million of sales tax receipts to the Commonwealth Transportation Fund.

**The Bonds are not general obligations of the Commonwealth and are not secured by the full faith and credit of the Commonwealth. The Bonds are payable only from Pledged Revenues and other moneys available to the owners of the Bonds under the Sales Tax Bond Trust Agreement. See "SECURITY FOR THE SALES TAX BONDS."**

### **ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS**

The Assessment Bond Trust Agreement provides that the Authority may incur particular obligations, including, without limitation, Assessment Bonds, and provides for, to the extent of available funds under the Assessment Bond Trust Agreement, the payment of Sales Tax Bonds to the extent there are insufficient funds available therefore under the Sales Tax Bond Trust Agreement. Obligations under the Assessment Bond Trust Agreement are payable from and secured by a pledge of the Assessment Pledged Revenues (hereinafter defined) and 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 and administered by the Authority and the Rebate Fund and as otherwise described below).

#### **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 Assessment 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 SALES TAX 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.

Pursuant to Chapter 165, Section 116 of the Acts of 2012, Assessments are credited to the Fund on or before the last day of each month, and in accordance with the MOU 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" (referred to herein as the "Assessment 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) Sales Tax 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.

Under the Assessment Bond Trust Agreement, "Dedicated Payments" (referred to herein as the "Assessment Dedicated Payments") means any revenues of the Authority that are not Sales Tax 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 Sales Tax 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 B – "SUMMARY OF CERTAIN PROVISIONS OF THE ASSESSMENT BOND TRUST AGREEMENT."

### **Flow of Funds**

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

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

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

- (1) the Assessment 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 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.

For a description of the Funds and Accounts under the Assessment Bond Trust Agreement, see APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE ASSESSMENT BOND TRUST AGREEMENT."

For an illustration of the flow of funds under the Assessment Bond Trust Agreement, see "SECURITY FOR THE SALES TAX BONDS – Flow of Funds."

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

For a description of the conditions to the Authority issuing indebtedness under the Assessment Bond Trust Agreement, see APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE ASSESSMENT BOND TRUST AGREEMENT.”

### **Statutory Covenant**

The Enabling Act contains a statutory covenant that provides that the amount to be assessed on cities and towns shall not be reduced below \$136,026,868 per Fiscal Year. See “SECURITY FOR THE SALES TAX BONDS – Statutory Covenant.”

In the opinion of Bond Counsel and Co-Bond Counsel, this covenant is a valid contract between the Commonwealth and the holders of Bonds which is binding on future legislatures. Furthermore, enactment of a law which would reduce the Dedicated Revenues below that which is necessary to satisfy the obligations of the Authority to the holders of Assessment Bonds and Sales Tax Bonds issued prior to enactment of such law, 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.

### **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 2016 budget, the Authority has certified that it has provided for the payment of Prior Obligations during Fiscal Year 2016 in such annual budget.

Pursuant to the MOU, Assessments shall be 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. 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. In each case, individual Assessments are determined according to a weighted population formula. Total Assessments for Fiscal Year 2012, 2013, and 2014 were \$152,100,140, \$155,902,648, and \$157,149,865 respectively. Total Assessments for Fiscal Year 2015 were budgeted to be \$160,135,712 and expected to be \$162,858,019 for Fiscal Year 2016. 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.

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 and charges and is to make payments to cities and towns in four quarterly installments, on or before each September 30, December 31, March 31 and June 30.

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 state 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. Currently, twenty-three communities in the Authority's territory have outstanding Qualified 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 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, formerly known as the Massachusetts Water Pollution Abatement Trust (the "Trust") makes loans to cities, towns and other units of regional and local government (including 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 SEDS) 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 Boston and Lynn, 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 August 1 and February 1 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 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.

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 2014, the aggregate property tax levy grew from \$3.347 billion to \$13.94 billion, a compound annual growth rate of 4.36%.

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 nonappropriated 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 2015 budget included state funding for education aid of \$4.40 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 which 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 2015 budget provided \$5.35 billion in state-funded local aid to municipalities. The budget included state funding for Chapter 70 education aid of \$4.40 billion to municipalities, an aggregate increase of \$100 million over the Fiscal Year 2014 aggregate amount. The budget also included \$945 million for unrestricted general government aid, with funding allocated to ensure a 3% increase in funding over the Fiscal Year 2014 levels to all municipalities. Regardless, the Local Aid still will exceed 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."

## **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. In the opinion of the Authority, 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. In the opinion of the Authority, 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. In addition, any such legislation enacted subsequent to the issuance of the Bonds would with respect to the Bonds be subject to the provisions of Article 1, Section 10 of the United States Constitution prohibiting any law impairing the obligation of contracts and therefore could not unconstitutionally impair the contract of the Bondowners.

## TAX MATTERS

Bond Counsel and Co-Bond Counsel are of the opinion that, under existing law, interest on the Bonds, including any accrued original issue discount, as discussed below, will not be included in the gross income of the Bondowners for federal income tax purposes. This opinion is expressly conditioned upon compliance with certain requirements of 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 interest on the Bonds is and continues to be excludable from the gross income of the holders thereof. 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 particular, and without limitation, those requirements include restrictions on the use, expenditure and investment of proceeds and payment of rebate, or penalties in lieu of rebate, to the United States, subject to certain exceptions. The Authority has provided covenants and certificates as to continued compliance with such requirements.

In the opinion of Bond Counsel and Co-Bond Counsel, under existing law, because the Bonds are not "private activity bonds" under the Code, 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 and corporations under Section 55 of the Code. However, interest on the Bonds will be included in "adjusted current earnings" of corporate Bondowners and therefore will be taken into account under Section 56(g) of the Code in the computation of the alternative minimum tax applicable to certain corporations.

Interest on the Bonds includes any accrued original issue discount. Original issue discount with respect to a Bond is equal to the excess, if any, of the stated redemption price at maturity of a Bond over the initial offering price at which price a substantial amount of all Bonds with the same maturity were sold (other than to underwriters and other intermediaries). Original issue discount accrues actuarially over the term of a Bond and results in a corresponding increase in the holder's tax basis in such Bond. Bondowners should consult their own tax advisors with respect to the computation 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 generally 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.

Bond Counsel and Co-Bond Counsel have not opined as to other federal tax consequences of holding the Bonds. However, prospective purchasers should be aware that (i) section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on such Bonds, (ii) with respect to insurance companies subject to the tax imposed by section 831 of the Code, section 832(b)(5)(B)(1) reduces the deduction for losses incurred by 15% of the sum of certain items, including interest on the Bonds, (iii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a foreign branch profits tax imposed by section 884 of the Code, (iv) passive investment income, including interest on the Bonds, may be subject to federal income taxation under section 1375 of the Code for an S Corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such S Corporation is passive investment income, (v) section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income receipts or accruals of interest on the Bonds and (vi) receipt of investment income, including interest on the Bonds, may, pursuant to section 32(i) of the Code, disqualify the recipient from obtaining the earned income credit otherwise provided by section 32(a) of the Code.

Bond Counsel and Co-Bond Counsel have 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 the benefit of the exclusion of the interest on the Bonds from gross income for federal income tax purposes or any state tax benefit. Deficit reduction measures, including the limitation of federal tax expenditures, will be under ongoing consideration by the United States Congress, as will tax reform proposals. These efforts to date have included provisions 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. Future proposed changes could affect the market value or marketability of the Bonds, and, if enacted, could also affect the tax treatment of all or a portion of the interest on the Bonds for some or all holders. Bondowners should consult their own tax advisors with respect to any of the foregoing tax consequences.

Interest paid on tax-exempt obligations such as the Bonds is now 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 Bond owner 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 Bond owner 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.

In the opinion of Bond Counsel and Co-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. Bond Counsel and Co-Bond Counsel have not opined as to the other Massachusetts tax consequences resulting from holding the Bonds. However, prospective purchasers should be aware 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 and Co-Bond Counsel have not opined as to the taxability of the Bonds or the income therefrom under the laws of any state other than Massachusetts.

On the date of delivery of the Bonds, the original purchasers of the Bonds will be furnished with an opinion of Bond Counsel and Co-Bond Counsel substantially in the form shown in “PROPOSED FORM OF OPINION OF BOND COUNSEL” attached hereto as Appendix C.

## **RATINGS**

The Bonds have been assigned long-term ratings of “AA+” with a stable outlook, and “Aa2” with a stable outlook, by S&P and Moody’s, respectively.

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 and Gonzalez Saggio & Harlan LLP, Boston, Massachusetts, Co-Bond Counsel. The approving opinions of Bond Counsel and Co-Bond Counsel, in substantially the form attached hereto in Appendix C, will be delivered with the Bonds. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP, Boston, Massachusetts.

## UNDERWRITING

The Underwriters, for whom Samuel A. Ramirez & Co., Inc. is acting as representative, have agreed, subject to certain conditions, to purchase from the Authority the Bonds at an underwriting discount from the initial offering price of the Bonds equal to \$1,870,526.80 with respect to the Bonds. The initial public offering price of the Bonds may be changed from time to time by the Underwriters. The Underwriters will be obligated to purchase all Bonds if any such Bonds are purchased.

*The following language has been provided by the Underwriters. The Authority takes no responsibility as to the accuracy or completeness thereof.*

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not 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.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority 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 may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

## CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the Authority will enter into a Continuing Disclosure Agreement with U.S. Bank 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. The proposed Continuing Disclosure Undertaking is set forth in Appendix D.

The Authority did not file, on a timely basis, certain notices, which have subsequently been filed, of S&P's upgrade of its ratings on Prior Obligations on September 21, 2011 from "AA" to "AA+" and S&P's down-grade on December 29, 2011, for which the Authority had not previously received notice, of the short-term rating on the Sales Tax Bonds, Variable Rate Demand Obligations, 2008 Series A-1 and A-2 from "A-1+" to "A-1."



## FINANCIAL ADVISOR

Omnicap Group LLC, Hermosa Beach, California (“Omnicap”) serves as financial advisor to the Authority. Omnicap is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board, is an independent advisory firm, and is not engaged in the business of underwriting, trading or distribution of municipal securities or other public securities and therefore will not participate in the underwriting.

## VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Arbitrage Group, Inc., a firm of independent public accountants, will deliver to the Authority and the Underwriters on or before the date of delivery of the Bonds its verification report indicating that it has verified, in accordance with the standards established by the American Institute of Certified Public Accountants: (i) the mathematical accuracy of certain computations showing the adequacy of the cash and the maturing principal of and interest on certain government obligations held in the refunding trust fund to provide for the payment of the principal of and interest and redemption premiums, if any, on the Refunded Bonds; and (ii) the yields on the Bonds and the investments purchased with a portion of the proceeds of the sale of the Bonds. Such verification will be used by Bond Counsel and Co-Bond Counsel in concluding that the Bonds are not arbitrage bonds within the meaning of the Code.

The verification report will state that The Arbitrage Group, Inc. has no obligation to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

## MISCELLANEOUS

The summaries of the provisions of the Enabling Act, the Bonds, the Sales Tax Bond Trust Agreement and the Assessment 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 Sales Tax Bond Trust Agreement and the Assessment 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 National Association by acceptance of its duties as Trustee under the Sales Tax 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/ Jonathan R. Davis

Jonathan R. Davis

Deputy General Manager, Finance and Administration/  
Executive Chief Financial Officer

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## 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, as amended through and including the date of issuance of the Bonds, 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.

*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.

*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 date 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.

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

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

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

*Fund or Funds* shall mean each fund or all of the funds established by 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) 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 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 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 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.

*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 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 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.

*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.

*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.

*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.

*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.

*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.

*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 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 have the meaning set forth under the heading "Hedging Transactions."

*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 other indebtedness (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.

*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.

***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.

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 this 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 certified 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.

(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 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.

(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; and

(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; and

(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;
- (4) Subordinated Debt Service Fund;
- (5) Subordinated Debt Service Reserve Fund;
- (6) General 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;

(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; 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 (i) 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.

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. (*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. (*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 the Sales Tax Bond 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 report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions under the Sales Tax Bond Trust Agreement and of each Supplemental Trust Agreement; a statement of the Pledged Revenues collected in connection herewith and with each Supplemental Trust Agreement; a statement that the balance in the Senior Debt Service Reserve Fund and in the Subordinated Debt Service Reserve Fund meet the requirements under the Sales Tax Bond Trust Agreement and of any applicable Supplemental Trust Agreement; and a statement that, in making such audit, no knowledge of any default in the fulfillment of any of the terms,

covenants or provisions under the Sales Tax Bond Trust Agreement and of each Supplemental Trust Agreement were obtained, or if knowledge of any such default was obtained, a statement thereof.

The reports, statements and other documents required to be furnished by the Authority to the Trustee pursuant to any provisions of the Sales Tax Bond Trust Agreement shall be available for the inspection of Bondowners at the office of the Trustee. (*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 the Sales Tax Bond Trust Agreement, shall become fully effective in accordance with its terms as provided in said the 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. (*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 Assessment 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 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 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; provided, however, that before being required to make any such payment to the Authority, the Fiduciary shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than 7 days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

(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. (*Section 1005*).

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

*The following is a summary of certain provisions of the Assessment Bond Trust Agreement 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.

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

*Alternate Revenues* shall mean any revenues of the Authority (other than Assessments) legally available and pledged by resolution of the Authority for its obligations under the Assessment 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 Assessment Bonds or they constitute a general obligation of the Commonwealth and the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period, (ii) such Alternate Revenues consist of obligations with a rating by each Rating Agency in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds or (iii) the Authority has received a written confirmation from each Rating Agency that its unenhanced, published rating of Outstanding Assessment Bonds will not be adversely affected by the designation of such revenues as Alternate Revenues.

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

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

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

*Authority* shall mean the Massachusetts Bay Transportation Authority.

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

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



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

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

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

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

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

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

*Debt Service Reserve Requirement* shall mean as of any date of calculation, an amount equal to one-half of the least of (i) 10% of the aggregate original net proceeds from the sale of all Bonds Outstanding, (ii) 125% of average annual Debt Service on all Bonds Outstanding, and (iii) the maximum amount of Debt Service due in any future Fiscal Year on all Bonds Outstanding. The Estimated Average Interest Rate as of the date of issue for any Variable Interest Rate Bonds shall be used to establish Debt Service on such Assessment Bonds for the purpose of the Debt Service Reserve Requirement.

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

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

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

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

*Fund or Funds* shall mean each fund or all of the funds established by 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) and 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 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 government unit of any such state or political subdivision which shall be rated at the time of the investment in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by each Rating Agency;

(v) a certificate or other instrument that evidences ownership of the right to payment of the principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under 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 rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by any Rating Agency, without regard to any refinement or gradation of such rating;

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

(vii) a certificate that evidences ownership of the right to payments of principal of or interest on obligations described in clause (i), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under 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 a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency, (including the Trustee and its parent holding company, if any, if it otherwise qualifies);

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

(x) an Investment Agreement;

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

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

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

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

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

to or retained in the Debt Service Fund and (d) Dedicated Payments deposited in the Debt Service Fund pursuant to the Assessment Bond Trust Agreement plus (ii) Debt Service payable on Bond Anticipation Notes issued in anticipation of Assessment Bonds net of any amounts deposited from the proceeds of such notes available in the Debt Service Fund or in another account established in connection with the issuance of such notes for the payment of such Debt Service.

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

*Outstanding*, when used with reference to Assessment Bonds of a Series, shall mean, as of any date, Assessment Bonds or Bonds of such Series, theretofore or thereupon being authenticated and delivered, issued under 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 a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by each Rating Agency or (ii) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality.

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

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

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

*Rebate Fund* shall mean the Fund by that name established by 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, the Deficiency Fund, the Capital Maintenance Fund or any Qualified Reserve Fund including any Accounts therein, and (v) to pay or provide for the payment of the costs incurred in connection with the issuance of Assessment Bonds.

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

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

(iii) demonstrating that:

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

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

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

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

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

(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. 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 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 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 Assessment 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 Assessment 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 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 45th day preceding the redemption date, the Trustee shall select the Assessment Bonds to be redeemed, give the notice of redemption and apply the moneys available therefor to redeem on the redemption date at the Redemption Price therefor, together with accrued interest to the redemption date, all of the Assessment Bonds to be redeemed.

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;

- (2) Debt Service Fund;
- (3) Debt Service Reserve Fund; and
- (4) General Fund.

Amounts held at any time by the Trustee in any of the Funds and Accounts established pursuant to the Assessment Bond Trust Agreement 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 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) Into the Debt Service Reserve Fund, the amount, if any, required for such Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Assessment Bond Trust Agreement and subject to the provisions of thereto to, equal the Debt Service Reserve Requirement as of the last day of the then current quarter; provided, however, that the provisions in the sixth paragraph under the heading “Debt Service Reserve Fund” shall govern any replenishment required after a withdrawal from such Fund;

(3) To the Authority for credit to the Rebate Fund, notwithstanding any other provisions of 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;

(4) 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;

(5) 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

(6) 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.

***Debt Service Reserve Fund***

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

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

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

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

In the event of the refunding of any Assessment Bonds, the Authority may direct the Trustee to withdraw from the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Assessment Bonds being refunded and deposit such amounts with the Trustee in a separate account to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Assessment Bonds being refunded; provided that such withdrawal shall not be made unless

(a) immediately thereafter the Assessment Bonds being refunded shall be deemed to have been defeased, and (b) the amount remaining in the Debt Service Reserve Fund, after giving effect to the issuance of any Refunding Bonds and the disposition of the proceeds thereof and to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the fourth paragraph under this heading, shall not be less than the Debt Service Reserve Requirement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in any Fund or Account under the Assessment 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 under the heading “Pledged Revenues and Application Thereof,” in the event that at any time the amount on deposit in the Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the provisions in the Assessment Bond Trust Agreement, shall be less than the Debt Service Reserve Requirement as a result of any withdrawal from said Fund or as a result of the valuation of such Fund performed in accordance with the Assessment Bond Trust Agreement, the Authority shall restore the amount on deposit in the Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in said Fund pursuant to the Assessment Bond Trust Agreement, to the Debt Service Reserve Requirement, in the case of restoration after a withdrawal in twelve (12) equal monthly installments commencing within ninety (90) days of such withdrawal, and in the case of restoration as a result of valuation in six (6) equal monthly installments commencing thirty (30) days after such valuation. (*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 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, 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 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 Assessment Bonds and (b) the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period. If such Dedicated Payments are to be received from the Commonwealth, they must consist of a payment obligation payable to the Authority pursuant to a statutory or contractual arrangement with the Commonwealth which, in the opinion of Bond Counsel, constitutes a general obligation of the Commonwealth; provided that at the time of entering into such arrangement (a) such arrangement, by its terms, will not terminate so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds and (b) the manner of determining the amounts to be derived from such arrangement is not subject to change or revision during such period. Notwithstanding the source of funding, if the Authority has received a written confirmation from each Rating

Agency that its published unenhanced rating of Outstanding Assessment Bonds will not be adversely affected, the Authority may, in its sole discretion, designate any revenues which are not Pledged Revenues as Dedicated Payments.

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

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

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

(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; or

(i) to provide for additional duties of the Trustee. (*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 to cause to be paid over to the Trustee (i) forthwith, any moneys, securities and funds then held by the Authority or a Depository in any Fund, Account or Subaccount under 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), (iv) (to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating Agency), (v) and (vii) of the definition of "Investment Obligations" 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), (iv) to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating Agency, (v) or (vii) of the definition of Investment Obligations which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

(3) For purposes of determining whether Variable Interest Rate Bonds 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; provided, however, that before being required to make any such payment to the Authority, the Fiduciary shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than 7 days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Authority. (*Section 1004*).

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*Upon the delivery of the Bonds, Bond Counsel and Co-Bond Counsel propose to deliver their opinions in substantially the following form:*

Massachusetts Bay Transportation Authority  
10 Park Plaza  
Boston, Massachusetts 02116

We have acted as bond counsel to the Massachusetts Bay Transportation Authority (the “Authority”) in connection with the issuance by the Authority of Senior Sales Tax Bonds, 2015 Series A and 2015 Series B, dated the date of initial delivery thereof (together, the “Bonds”). The Bonds are being issued pursuant to Chapter 161A of the Massachusetts General Laws, as amended (the “Act”), and the Sales Tax Bond Trust Agreement dated as of July 1, 2000 by and between the Authority and U.S. Bank National Association, as successor trustee (the “Trustee”), as amended and supplemented, including by the Thirty-First Supplemental Trust Agreement and the Thirty-Second Supplemental Trust Agreement, each dated as of October 1, 2015, 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 that, under existing law:

(a) 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.

(b) 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 therein) 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.

(c) The Trust Agreement and the Assessment 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.

(d) Interest on the Bonds, including any accrued original issue discount, will not be included in the gross income of the holders of the Bonds for federal income tax purposes. This opinion is expressly conditioned upon the Authority’s compliance with certain requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the date of issuance of the Bonds in order that interest thereon is and continues to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in the gross income of holders of the Bonds retroactive to the date of issuance of the Bonds. Interest on the Bonds will not constitute a preference item for purposes of computation of the alternative minimum tax

imposed on certain individuals and corporations. However, interest on the Bonds will be included in “adjusted current earnings” when calculating corporate alternative minimum taxable income under section 56(g) of the Code in the computation of the alternative minimum tax applicable to certain corporations. We also express no opinion as to other federal tax consequences resulting from holding the Bonds.

(e) 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 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 Assessment 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.

Very truly yours,

Massachusetts Bay Transportation Authority  
Senior Sales Tax Bonds,  
2015 Series A and 2015 Series B  
(together, the “Bonds”)

Continuing Disclosure Undertaking

Prior to the issuance of the Bonds, the Authority and U.S. Bank 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 (“EMMA”) 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 EMMA as soon as practicable after the audited financial statements become available under the Authority Disclosure Agreement.

All of the information described above may be included by reference to other documents, including official statements pertaining to debt issued by the Authority, which have been submitted to EMMA. 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 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 EMMA 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 security, or other material events affecting the tax status of the security;

- (vii) modifications to rights of security holders, 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; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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 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.

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## APPENDIX E

The table beginning on the following page contains a listing of the 175 assessed cities and towns and historical information about Local Aid and assessments (including Assessments) in Fiscal Years 1985, 1990 and 1998 through 2014. Beginning in Fiscal Year 2006, Local Aid, as shown in the table, does not include school building assistance grants, which are now payable by the Massachusetts School Building Authority rather than the Commonwealth. The amount of such grants in Fiscal Years 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, and 2015 were approximately \$393.84 million, \$391.59 million, \$452.02 million, \$374.57 million, \$433.64 million, \$372.81 million, \$393.96 million, \$285.76 million, \$209.74, and \$197.95 million, respectively, and is projected to be approximately \$184.94 million in Fiscal Year 2016.

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. 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	FY2015				FY2014				FY2013			
	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
<b><u>FOURTEEN CITIES AND TOWNS</u></b>												
ARLINGTON	17,463	287	2,791	14,385	17,093	253	2,745	14,095	15,040	274	2,716	12,050
BELMONT	8,570	117	1,609	6,844	7,940	72	1,585	6,284	7,755	76	1,568	6,111
BOSTON	413,891	139,303	81,270	193,318	403,977	117,160	79,151	207,666	396,824	100,204	78,301	218,319
BROOKLINE	17,078	1,169	5,032	10,877	16,102	1,182	5,018	9,902	14,575	1,124	4,964	8,487
CAMBRIDGE	32,100	12,273	9,063	10,763	30,602	12,520	8,985	9,097	30,980	12,933	8,889	9,159
CHELSEA	74,147	7,069	2,351	64,727	70,510	5,796	2,254	62,460	65,086	4,774	2,230	58,082
EVERETT	68,006	8,228	2,718	57,060	62,295	7,576	2,670	52,049	56,637	7,371	2,641	46,625
MALDEN	59,613	8,996	3,854	46,763	59,346	8,866	3,810	46,670	59,250	8,928	3,769	46,553
MEDFORD	22,897	4,229	3,641	15,027	22,500	4,160	3,600	14,740	22,217	4,198	3,561	14,458
MILTON	9,782	1,706	1,734	6,342	9,489	1,600	1,730	6,159	9,323	1,558	1,712	6,053
NEWTON	25,423	411	5,510	19,502	22,975	321	5,456	17,198	21,643	413	5,398	15,832
REVERE	61,710	4,418	3,395	53,897	58,519	4,352	3,317	50,851	56,500	4,149	3,281	49,070
SOMERVILLE	44,615	8,545	4,923	31,147	43,352	7,552	4,854	30,945	42,437	7,064	4,802	30,571
WATERTOWN	10,589	337	2,098	8,154	9,978	209	2,045	7,724	9,253	216	2,023	7,013
<b><u>FIFTY-ONE CITIES AND TOWNS</u></b>												
BEDFORD	6,156	86	293	5,777	5,697	94	284	5,319	5,456	76	281	5,098
BEVERLY	13,598	1,055	857	11,685	12,858	1,156	844	10,858	12,487	950	835	10,703
BRAINTREE	20,270	2,997	771	16,501	19,308	2,845	763	15,700	18,912	2,757	755	15,399
BURLINGTON	8,395	131	536	7,729	8,152	79	523	7,549	7,920	123	518	7,279
CANTON	7,230	484	467	6,279	7,089	485	461	6,144	6,862	454	456	5,953
COHASSET	2,832	830	174	1,827	2,721	803	161	1,757	2,251	772	159	1,320
CONCORD	4,182	125	403	3,654	3,820	65	377	3,378	3,745	108	373	3,263
DANVERS	9,320	357	575	8,388	9,013	564	566	7,883	8,611	483	560	7,568
DEDHAM	7,490	1,904	531	5,054	7,155	1,891	528	4,735	6,910	1,805	523	4,583
DOVER	949	180	122	648	877	175	119	583	860	172	118	569
FRAMINGHAM	44,342	5,809	453	38,079	42,105	5,059	485	36,560	38,176	4,534	532	33,110
HAMILTON	796	56	172	568	739	80	166	493	718	67	164	487
HINGHAM	8,193	334	479	7,379	8,038	333	473	7,232	7,844	281	468	7,095
HOLBROOK	7,149	397	232	6,620	6,646	432	230	5,983	6,185	361	228	5,595
HULL	6,105	438	219	5,447	5,997	476	220	5,301	5,876	397	218	5,261
LEXINGTON	11,193	125	687	10,382	10,202	134	671	9,398	9,410	150	663	8,597
LINCOLN	1,799	25	138	1,636	1,705	71	136	1,498	1,654	8	134	1,513
LYNN	162,104	13,370	1,942	146,791	156,253	12,168	1,929	142,155	147,951	9,338	1,909	136,704
LYNNFIELD	5,118	123	251	4,744	4,976	177	248	4,551	4,895	150	245	4,500
MANCHESTER	211	45	111	55	206	45	110	52	203	44	108	51
MARBLEHEAD	6,787	2,393	427	3,967	6,843	2,449	423	3,971	6,327	2,433	419	3,475
MEDFIELD	7,264	233	260	6,771	7,158	211	257	6,691	7,052	187	254	6,611
MELROSE	13,247	2,674	584	9,989	12,919	2,520	576	9,823	12,781	2,599	570	9,611
MIDDLETON	2,145	210	197	1,738	2,090	204	192	1,693	2,064	66	190	1,808
NAHANT	866	72	73	720	846	95	73	679	815	33	72	711
NATICK	12,852	1,306	233	11,313	12,364	1,278	248	10,837	11,658	1,255	270	10,134
NEEDHAM	9,966	649	625	8,692	9,601	657	617	8,328	9,314	628	610	8,076
NORFOLK	4,401	245	169	3,986	4,323	202	173	3,948	4,274	217	172	3,885
NORWOOD	10,089	669	612	8,807	9,749	636	611	8,503	9,337	529	604	8,203
PEABODY	25,722	1,035	1,104	23,584	26,122	1,731	1,095	23,296	25,482	1,954	1,083	22,445
QUINCY	45,029	1,236	1,980	41,813	43,540	1,217	1,971	40,352	41,816	1,253	1,950	38,613
RANDOLPH	20,389	4,012	707	15,670	19,766	3,833	686	15,247	18,960	3,534	679	14,748
READING	13,331	77	536	12,718	13,139	120	529	12,489	13,028	125	523	12,381
SALEM	29,109	5,467	898	22,743	28,180	4,776	883	22,521	28,160	4,677	874	22,610
SAUGUS	9,361	2,249	582	6,531	9,130	2,724	569	5,838	7,725	1,754	563	5,408
SHARON	8,378	405	379	7,593	8,217	426	376	7,415	8,082	347	372	7,362
STONEHAM	7,442	1,079	460	5,904	7,210	1,021	458	5,732	7,012	844	453	5,715
SWAMPSCOTT	4,398	225	296	3,877	4,154	266	295	3,594	3,973	300	291	3,381
TOPSFIELD	1,798	150	133	1,515	1,751	177	130	1,444	1,723	81	129	1,513
WAKEFIELD	8,814	880	545	7,389	8,418	845	532	7,041	8,138	933	527	6,678
WALPOLE	10,114	565	523	9,026	10,044	705	514	8,825	9,781	580	509	8,692
WALTHAM	18,081	444	1,318	16,319	17,100	340	1,295	15,465	16,309	298	1,281	14,730
WELLESLEY	9,089	558	612	7,919	9,076	573	598	7,905	8,927	562	591	7,773
WENHAM	410	110	106	193	394	121	104	169	381	54	103	224
WESTON	3,411	35	250	3,126	2,981	35	241	2,706	2,931	51	238	2,642
WESTWOOD	5,511	273	314	4,924	5,314	269	312	4,733	5,160	252	309	4,600
WEYMOUTH	36,139	1,726	1,168	33,245	35,534	1,446	1,148	32,940	35,194	1,351	1,136	32,708
WILMINGTON	13,612	216	488	12,908	13,366	299	477	12,590	13,184	265	472	12,447
WINCHESTER	9,022	60	465	8,497	8,869	54	456	8,358	8,546	52	452	8,042
WINTHROP	10,364	231	382	9,752	9,992	262	374	9,356	9,271	279	370	8,622
WOBURN	14,260	2,626	829	10,805	13,166	2,466	814	9,886	12,490	2,386	805	9,298
<b><u>OTHER SERVED COMMUNITIES</u></b>												
ABINGTON	9,644	617	87	8,940	9,424	495	85	8,845	9,295	421	84	8,790
ACTON	1,465	162	75	1,227	7,008	244	73	6,690	6,902	219	74	6,609
AMESBURY	11,285	2,758	0	8,527	11,100	2,913	0	8,187	10,997	2,335	0	8,661
ANDOVER	11,066	650	52	10,365	10,426	2,731	79	7,617	9,849	2,397	85	7,367
ASHBURNHAM	910	29	21	860	847	33	14	800	808	28	20	761
ASHBY	532	10	14	508	526	7	17	502	500	12	12	476
ASHLAND	7,181	1,209	73	5,899	7,158	1,195	74	5,889	7,010	1,072	76	5,862
ATTLEBORO	40,475	4,518	0	35,957	40,310	4,439	0	35,871	38,314	4,022	0	34,292
AUBURN	10,386	735	0	9,651	10,056	706	0	9,350	9,797	732	0	9,065
AYER	858	65	25	769	845	61	23	761	1,166	64	22	1,081
BELLINGHAM	10,182	925	0	9,257	10,031	819	0	9,212	9,914	871	0	9,042
BERKLEY	4,847	183	9	4,655	4,740	169	10	4,561	4,609	173	15	4,422
BILLERICA	25,059	5,887	0	19,172	24,554	5,579	0	18,976	24,457	5,509	10	18,937
BOXBOROUGH	247	44	23	179	1,742	54	20	1,668	1,738	54	20	1,665
BOXFORD	2,248	87	52	2,109	2,207	120	52	2,035	2,185	145	51	1,989
BRIDGEWATER	3,728	259	141	3,328	3,649	243	138	3,268	3,554	226	141	3,186
BROCKTON	185,168	7,176	0	177,991	178,063	7,176	0	170,886	167,341	6,061	0	161,279
CARLISLE	1,221	48	0	1,173	1,242	72	0	1,171	1,213	46	6	1,161
CARVER	11,608	463	25	11,120	11,437	387	27	11,024	11,310	365	27	10,918
CHELMSFORD	15,767	1,922	0	13,845	15,329	1,763	0	13,566	15,059	1,751	1	13,307
DRACUT	22,880	1,865	60	20,955	22,569	1,621	60	20,888	21,834	1,002	128	20,704

Municipality	FY2015				FY2014				FY2013			
	Total	All Other	Assessment	Net Local	Total	All Other	Assessment	Net Local	Total	All Other	Assessment	Net Local
	Local Aid	Assessments		Aid	Local Aid	Assessments		Aid	Local Aid	Assessments		Aid
EASTON	11,912	604	144	11,164	11,722	563	144	11,015	11,593	533	144	10,916
ESSEX	251	68	21	162	241	66	21	154	234	7	21	206
FITCHBURG	55,768	5,497	0	50,271	54,545	5,303	0	49,242	53,446	5,346	0	48,100
FOXBOROUGH	10,309	1,775	0	8,534	10,351	1,900	0	8,451	10,232	1,904	0	8,329
FRANKLIN	30,600	4,999	0	25,601	30,424	4,888	1	25,534	30,308	4,814	23	25,471
FREETOWN	1,590	197	35	1,358	1,529	195	35	1,298	1,468	190	37	1,240
GEORGETOWN	6,277	292	49	5,936	6,236	349	46	5,841	6,181	373	48	5,760
GLOUCESTER	10,353	2,046	0	8,307	10,274	3,737	0	6,537	10,749	5,726	0	5,023
GRAFTON	12,259	690	114	11,455	12,049	744	112	11,192	10,521	711	112	9,698
GROTON	829	107	0	722	819	104	0	714	802	81	0	721
GROVELAND	852	37	42	773	845	99	41	706	820	111	41	669
HALIFAX	3,707	79	49	3,579	3,637	75	49	3,513	3,589	64	49	3,476
HANOVER	8,736	555	46	8,135	8,579	478	91	8,010	8,457	463	90	7,904
HANSON	1,312	78	67	1,167	1,265	75	67	1,123	1,234	73	66	1,095
HARVARD	3,602	756	32	2,814	3,527	664	32	2,830	3,607	593	34	2,980
HAVERHILL	55,670	5,010	0	50,660	54,319	5,443	0	48,876	50,478	5,315	0	45,163
HOLDEN	1,910	40	92	1,777	1,846	39	90	1,717	1,836	36	91	1,708
HOLLISTON	9,392	319	47	9,027	9,198	247	50	8,901	9,122	309	52	8,761
HOPKINTON	6,976	477	90	6,408	6,906	476	88	6,342	6,784	492	88	6,204
IPSWICH	5,558	268	52	5,239	5,427	437	50	4,940	5,417	358	48	5,011
KINGSTON	5,451	284	0	5,166	5,332	214	2	5,116	5,284	182	10	5,092
LAKEVILLE	1,210	145	27	1,038	1,027	140	27	861	1,219	137	27	1,055
LANCASTER	1,050	94	29	927	1,041	93	30	918	996	88	31	876
LAWRENCE	191,184	19,741	0	171,443	179,658	17,778	0	161,880	173,014	16,459	0	156,554
LEICESTER	11,726	423	0	11,303	11,639	483	0	11,156	11,484	444	0	11,040
LEOMINSTER	50,986	3,695	0	47,291	50,432	3,687	0	46,746	49,730	3,400	0	46,330
LITTLETON	5,043	1,012	40	3,991	4,888	959	36	3,894	4,809	985	34	3,790
LOWELL	163,240	18,111	0	145,129	157,740	16,585	0	141,155	150,750	11,787	0	138,963
LUNENBURG	7,195	1,076	37	6,081	6,855	1,130	32	5,693	6,719	1,029	33	5,657
MANSFIELD	20,637	2,297	0	18,340	20,642	2,433	0	18,208	20,447	2,245	18	18,184
MARLBOROUGH	25,289	5,589	3	19,697	24,334	4,686	15	19,633	23,084	4,310	27	18,747
MARSHFIELD	16,374	876	0	15,498	16,255	850	0	15,405	16,084	683	6	15,395
MAYNARD	6,014	452	0	5,563	5,798	459	0	5,339	5,606	442	0	5,163
MEDWAY	11,728	696	5	11,027	11,657	696	7	10,955	11,495	684	15	10,796
MERRIMAC	880	84	0	796	792	156	0	636	760	166	0	594
METHUEN	46,487	1,449	0	45,037	45,741	1,885	0	43,856	44,484	1,701	0	42,783
MIDDLEBOROUGH	20,511	772	0	19,739	20,286	696	1	19,589	20,179	686	9	19,484
MILLBURY	8,705	356	0	8,349	8,523	301	0	8,222	8,394	268	40	8,086
MILLIS	6,031	278	43	5,711	5,898	278	40	5,580	5,813	314	41	5,458
NEWBURY	800	103	43	654	736	126	43	566	715	171	34	510
NEWBURYPORT	7,362	2,609	6	4,747	7,492	2,625	9	4,858	7,157	2,582	4	4,572
NORTH ANDOVER	9,643	392	68	9,183	9,383	1,030	72	8,281	9,074	1,696	71	7,307
NORTH ATTLEBOROUGH	23,045	3,405	0	19,640	22,825	3,056	0	19,769	22,648	2,799	2	19,848
NORTH READING	8,574	42	99	8,433	8,404	109	98	8,197	8,254	94	97	8,063
NORTHBOROUGH	4,928	228	72	4,628	4,845	301	69	4,475	4,777	235	75	4,466
NORTHBRIDGE	17,916	750	104	17,063	17,790	662	103	17,025	17,593	720	102	16,770
NORTON	14,690	2,395	30	12,265	14,565	2,445	31	12,089	14,457	2,572	33	13,852
NORWELL	4,408	1,074	69	3,265	4,286	1,134	69	3,082	4,153	1,047	68	3,038
PAXTON	607	27	32	549	593	21	31	540	578	21	31	525
PEMBROKE	14,897	653	0	14,244	14,815	605	0	14,210	14,686	510	0	14,176
PLYMOUTH	30,010	7,758	8	22,244	29,585	7,244	27	22,314	28,399	6,425	62	21,912
PLYMPTON	981	54	19	908	919	35	19	865	834	48	18	767
PRINCETON	456	5	20	432	438	6	18	414	427	6	18	402
RAYNHAM	1,315	344	0	971	1,274	338	0	936	1,251	326	0	925
REHOBOTH	1,236	297	59	880	1,208	286	59	864	1,153	282	59	812
ROCHESTER	2,245	87	3	2,156	2,199	75	11	2,113	2,176	72	1	2,102
ROCKLAND	13,821	2,187	64	11,570	13,097	2,347	65	10,684	12,973	2,219	85	10,669
ROCKPORT	3,013	709	0	2,304	2,729	665	0	2,064	2,613	615	0	1,998
ROWLEY	640	61	39	540	583	99	38	446	576	110	38	428
SALISBURY	1,117	115	12	989	1,031	180	0	851	986	141	44	801
SCITUATE	7,085	430	47	6,607	6,958	345	119	6,494	6,792	374	118	6,300
SEEKONK	6,307	384	0	5,923	6,071	382	0	5,689	5,820	362	0	5,458
SHERBORN	783	44	27	711	735	57	25	654	721	43	25	653
SHIRLEY	1,348	23	34	1,291	1,299	24	32	1,243	1,252	24	32	1,196
SHREWSBURY	22,035	1,546	154	20,335	21,937	1,655	152	20,130	21,790	1,750	150	19,890
SOUTHBOROUGH	3,242	158	10	3,074	3,204	239	13	2,952	3,155	216	17	2,922
STERLING	690	20	40	631	685	21	38	626	691	21	37	633
STOUGHTON	18,162	3,094	43	15,025	17,815	2,930	39	14,846	17,372	2,696	36	14,639
STOW	407	85	12	310	401	87	7	307	386	85	6	294
SUDBURY	5,883	121	92	5,670	5,728	88	93	5,547	5,617	67	94	5,455
SUTTON	6,450	114	50	6,286	6,377	78	52	6,247	6,342	67	53	6,222
TAUNTON	59,529	1,648	0	57,880	56,836	1,660	0	55,177	56,312	1,488	15	54,809
TEWKSBURY	16,116	1,648	0	14,468	15,741	1,565	0	14,176	15,545	1,423	0	14,122
TOWNSEND	1,434	51	19	1,363	1,424	49	19	1,356	1,374	48	19	1,306
TYNGSBOROUGH	8,723	1,296	34	7,393	8,682	1,279	47	7,356	8,652	1,213	47	7,392
UPTON	694	7	50	637	634	8	49	577	621	7	49	565
WAREHAM	15,080	2,997	0	12,083	14,949	2,359	0	12,590	14,662	2,044	0	12,618
WAYLAND	4,581	56	66	4,459	4,218	93	67	4,059	4,143	135	67	3,941
WEST BOYLSTON	4,622	588	1	4,032	4,308	482	0	3,826	4,315	492	1	3,823
WEST BRIDGEWATER	4,940	579	31	4,330	4,728	489	31	4,208	4,231	500	29	3,702
WEST NEWBURY	355	44	28	283	342	93	28	221	328	106	27	195
WESTBOROUGH	6,375	265	119	5,990	5,988	238	119	5,631	5,714	246	117	5,350
WESTFORD	18,774	420	0	18,354	18,573	458	0	18,115	18,305	398	0	17,907
WESTMINSTER	789	34	22	733	853	37	19	796	815	39	17	759
WHITMAN	2,465	115	67	2,283	2,372	114	65	2,193	2,335	104	70	2,160
WORCESTER	262,172	30,557	0	231,615	262,735	30,250	0	232,485	254,774	32,162	0	222,612
WRENTHAM	4,592	357	0	4,235	4,529	350	0	4,179	4,483	327	0	4,155

Municipality	FY2012				FY2011				FY2010			
	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
<b>FOURTEEN CITIES AND TOWNS</b>												
ARLINGTON	13,421	332	2,514	10,575	13,577	156	2,508	10,912	13,303	113	2,527	10,663
BELMONT	7,456	70	1,427	5,959	7,590	68	1,425	6,096	6,698	120	1,435	5,144
BOSTON	379,276	88,725	77,760	212,791	387,347	78,500	74,532	234,314	528,685	71,048	74,729	382,909
BROOKLINE	12,156	1,139	4,533	6,484	12,569	1,078	4,479	7,013	13,271	1,062	4,488	7,720
CAMBRIDGE	29,752	11,737	8,741	9,275	31,632	10,888	8,615	12,128	30,222	7,893	8,303	14,026
CHELSEA	61,411	3,737	2,259	55,415	59,481	2,581	2,544	54,355	58,406	2,528	2,346	53,532
EVERETT	49,928	7,049	2,308	40,571	45,748	6,871	2,286	36,592	41,470	7,107	2,289	32,074
MALDEN	56,177	8,527	3,384	44,266	51,845	7,446	3,402	40,997	53,077	6,756	3,422	42,900
MEDFORD	21,249	6,892	3,349	11,008	22,253	7,073	3,401	11,779	23,038	7,124	3,413	12,501
MILTON	8,842	1,746	1,578	5,517	8,985	1,751	1,602	5,631	8,323	2,019	1,614	4,691
NEWTON	18,600	491	5,098	13,011	18,871	563	5,026	13,282	20,051	550	5,114	14,386
REVERE	50,674	4,615	3,115	42,943	48,567	4,715	3,684	40,168	43,713	4,535	3,399	35,779
SOMERVILLE	40,869	7,120	4,608	29,141	43,441	7,129	4,630	31,682	44,310	5,657	4,570	34,083
WATERTOWN	8,731	215	1,996	6,520	9,149	181	1,980	6,987	9,661	254	1,997	7,409
<b>FIFTY-ONE CITIES AND TOWNS</b>												
BEDFORD	4,468	47	278	4,144	4,529	33	276	4,220	4,836	14	269	4,553
BEVERLY	12,030	958	794	10,278	12,505	943	802	10,759	13,108	1,114	808	11,186
BRAINTREE	17,130	2,843	709	13,579	16,853	3,255	720	12,877	14,846	3,412	705	10,730
BURLINGTON	7,494	69	516	6,909	7,579	107	510	6,963	8,012	117	513	7,383
CANTON	5,965	403	450	5,112	5,791	510	450	4,831	6,026	502	449	5,076
COHASSET	2,111	814	149	1,148	2,136	853	146	1,137	2,247	872	147	1,228
CONCORD	3,610	106	353	3,150	3,686	98	356	3,232	3,838	51	358	3,429
DANVERS	6,894	391	547	5,956	7,061	511	546	6,004	7,475	546	547	6,381
DEDHAM	6,475	1,822	499	4,154	6,712	1,912	502	4,298	7,083	2,086	494	4,503
DOVER	827	168	115	544	841	158	115	568	926	156	115	655
FRAMINGHAM	31,417	3,561	778	27,079	29,955	3,181	766	25,648	27,083	2,994	730	23,539
HAMILTON	690	65	166	460	727	52	166	509	762	64	168	531
HINGHAM	7,058	321	467	6,269	7,046	317	460	6,269	6,500	351	458	5,691
HOLBROOK	6,013	444	216	5,353	6,010	369	217	5,424	6,356	305	218	5,833
HULL	5,697	504	223	4,969	5,717	536	225	4,956	5,981	756	227	4,999
LEXINGTON	8,442	105	621	7,715	8,509	120	617	7,772	9,018	85	621	8,312
LINCOLN	1,589	28	174	1,387	1,621	20	165	1,437	1,761	7	164	1,590
LYNN	138,464	7,942	1,758	128,764	134,368	6,657	1,774	125,938	137,429	6,379	1,784	129,266
LYNNFIELD	4,745	137	242	4,366	4,778	122	233	4,423	5,048	74	233	4,741
MANCHESTER	193	43	105	46	208	40	107	61	224	42	108	74
MARBLEHEAD	6,045	1,993	401	3,651	6,262	1,713	407	4,142	6,271	1,232	410	4,629
MEDFIELD	6,841	215	247	6,379	6,915	241	250	6,424	7,398	260	251	6,887
MELROSE	12,059	2,603	544	8,912	12,346	2,477	545	9,324	12,698	2,484	548	9,666
MIDDLETON	1,996	65	186	1,746	2,027	76	197	1,754	2,164	91	191	1,882
NAHANT	773	49	73	651	835	109	71	655	931	160	72	699
NATICK	10,593	975	385	9,232	10,795	963	393	9,440	9,704	1,161	379	8,164
NEEDHAM	8,578	615	583	7,380	8,227	498	583	7,147	7,712	490	579	6,643
NORFOLK	4,165	208	161	3,795	4,210	212	182	3,816	4,561	257	176	4,127
NORWOOD	8,790	567	572	7,652	9,087	508	575	8,003	9,510	443	577	8,490
PEABODY	24,753	3,915	1,039	19,799	25,145	4,551	1,047	19,547	26,668	4,904	1,053	20,711
QUINCY	38,047	1,263	1,829	34,954	37,243	1,349	1,883	34,010	34,785	1,188	1,876	31,722
RANDOLPH	16,791	3,573	624	12,595	16,544	3,128	614	12,802	17,836	3,054	618	14,164
READING	12,349	121	472	11,756	12,531	83	470	11,978	12,257	106	474	11,677
SALEM	25,017	5,942	831	18,244	23,967	6,151	841	16,974	21,342	5,771	848	14,723
SAUGUS	7,360	1,556	561	5,242	7,708	1,433	560	5,715	7,940	1,136	557	6,247
SHARON	7,862	425	362	7,075	7,843	410	354	7,079	8,350	406	349	7,595
STONEHAM	6,633	843	433	5,357	6,893	735	438	5,721	7,150	660	440	6,050
SWAMPSCOTT	3,688	403	282	3,003	3,829	533	284	3,012	4,140	698	286	3,155
TOPSFIELD	1,673	93	123	1,457	1,702	74	123	1,505	1,790	55	124	1,610
WAKEFIELD	7,823	856	506	6,461	8,003	749	501	6,753	8,245	774	503	6,967
WALPOLE	9,431	616	471	8,344	9,580	617	472	8,491	9,916	549	473	8,894
WALTHAM	15,091	389	1,217	13,485	15,781	319	1,229	14,233	17,392	424	1,235	15,734
WELLESLEY	8,648	551	551	7,546	8,692	529	556	7,608	7,914	509	552	6,852
WENHAM	366	52	96	218	388	40	98	251	401	27	94	280
WESTON	2,826	81	240	2,504	2,815	47	239	2,530	2,981	33	239	2,709
WESTWOOD	4,535	273	288	3,975	4,582	265	289	4,027	4,334	269	287	3,779
WEYMOUTH	33,062	1,174	1,085	30,803	30,629	1,092	1,086	28,451	32,190	1,144	1,091	29,955
WILMINGTON	12,548	185	449	11,913	12,686	206	442	12,038	12,354	157	444	11,753
WINCHESTER	7,530	52	432	7,046	7,076	31	430	6,615	6,556	25	433	6,098
WINTHROP	8,861	252	386	8,223	8,762	272	446	8,043	9,224	354	413	8,458
WOBURN	11,550	2,447	783	8,319	11,749	2,612	752	8,385	12,371	2,992	758	8,620
<b>OTHER SERVED COMMUNITIES</b>												
ABINGTON	9,108	384	89	8,635	9,182	325	85	8,772	9,763	372	79	9,312
ACTON	6,456	122	107	6,227	6,518	114	108	6,297	6,534	117	109	6,308
AMESBURY	10,914	2,373	0	8,540	10,975	2,418	37	8,520	11,573	2,594	39	8,941
ANDOVER	8,714	2,370	57	6,288	8,819	2,865	61	5,893	9,580	3,013	66	6,501
ASHBURNHAM	728	26	19	683	787	36	11	740	814	32	15	767
ASHBY	465	11	12	442	511	10	13	488	486	7	15	464
ASHLAND	6,482	1,000	65	5,418	6,207	901	70	5,237	6,211	681	69	5,461
ATTLEBORO	34,642	3,937	0	30,706	34,776	3,743	0	31,032	35,900	3,534	0	32,367
AUBURN	8,159	706	0	7,453	8,258	737	0	7,520	7,555	720	0	6,835
AYER	1,009	58	22	929	5,784	766	24	4,994	6,122	664	26	5,432
BELLINGHAM	9,724	856	0	8,868	9,740	887	11	8,841	10,299	831	25	9,443
BERKLEY	4,494	156	19	4,318	5,821	203	35	5,583	6,126	186	35	5,904
BILLERICA	23,193	5,485	42	17,667	23,732	5,563	64	18,105	24,081	5,420	72	18,589
BOXBOROUGH	1,706	42	20	1,644	1,723	43	18	1,662	1,822	61	0	1,761
BOXFORD	2,138	128	51	1,960	2,143	99	51	1,993	2,214	140	50	2,024
BRIDGEWATER	3,368	250	144	2,974	3,607	270	139	3,198	3,768	286	143	3,339
BROCKTON	157,676	5,815	0	151,862	149,383	5,686	0	143,697	146,499	5,610	0	140,888
CARLISLE	1,176	19	30	1,127	1,197	20	18	1,158	1,253	5	23	1,225
CARVER	11,054	362	29	10,663	11,064	252	28	10,784	11,703	297	30	11,376
CHELMSFORD	14,473	1,802	0	12,671	14,837	1,820	10	13,008	14,511	1,761	14	12,736
DRACUT	21,192	871	121	20,201	21,233	700	126	20,407	20,889	718	129	20,042
DUXBURY	5,344	309	1	5,034	5,342	220	33	5,089	5,228	180	79	4,969
EAST BRIDGEWATER	11,487	261	55	11,171	11,498	202	58	11,237	12,135	213	58	11,864

Municipality	FY2012				FY2011				FY2010			
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EASTON	11,316	539	143	10,634	11,366	497	147	10,723	11,941	589	146	11,205
ESSEX	230	7	19	204	251	7	19	225	239	7	19	212
FITCHBURG	49,632	5,255	0	44,377	49,100	4,918	0	44,181	50,373	4,531	0	45,842
FOXBOROUGH	9,906	1,761	7	8,137	9,961	1,682	15	8,264	10,196	1,816	27	8,353
FRANKLIN	30,032	4,684	22	25,326	30,136	4,396	54	25,685	31,775	4,118	54	27,603
FREETOWN	1,367	187	39	1,141	2,577	174	37	2,366	2,690	158	35	2,497
GEORGETOWN	6,058	352	48	5,659	6,147	270	45	5,832	5,545	261	45	5,240
GLOUCESTER	10,721	5,630	0	5,091	10,634	4,519	0	6,115	10,168	3,698	0	6,470
GRAFTON	10,028	696	107	9,225	10,122	480	108	9,534	9,639	385	107	9,147
GROTON	715	55	20	640	766	55	21	690	802	29	48	725
GROVELAND	778	110	43	624	832	124	39	669	880	122	38	720
HALIFAX	3,483	71	48	3,363	3,525	79	49	3,397	3,546	115	49	3,382
HANOVER	7,797	429	88	7,280	7,922	434	89	7,400	7,993	453	89	7,451
HANSON	1,147	68	63	1,016	1,228	65	63	1,100	1,245	66	63	1,116
HARVARD	3,291	590	29	2,672	3,429	616	29	2,784	3,523	625	27	2,872
HAVERHILL	45,312	5,240	0	40,073	44,919	5,087	0	39,832	46,009	4,696	0	41,313
HOLDEN	1,701	34	89	1,578	1,808	33	86	1,689	1,917	61	68	1,787
HOLLISTON	8,561	372	53	8,136	8,628	374	54	8,201	8,849	297	61	8,491
HOPKINTON	6,517	531	83	5,903	6,637	538	82	6,016	6,874	483	83	6,308
IPSWICH	5,115	327	48	4,740	5,295	235	79	4,981	5,252	224	80	4,949
KINGSTON	5,075	176	7	4,892	4,932	182	15	4,735	4,940	180	24	4,736
LAKEVILLE	869	120	32	716	3,042	121	41	2,880	3,213	97	53	3,063
LANCASTER	948	85	22	841	994	83	24	887	1,009	86	26	897
LAWRENCE	163,778	13,494	0	150,284	154,539	17,371	0	137,168	153,568	17,776	0	135,793
LEICESTER	11,320	419	0	10,901	11,183	401	0	10,781	11,741	356	0	11,385
LEOMINSTER	47,994	3,226	0	44,768	46,196	2,922	0	43,274	46,328	2,840	0	43,488
LITTLETON	4,510	947	31	3,532	4,511	938	29	3,544	4,080	1,039	30	3,011
LOWELL	144,034	11,757	0	132,277	138,806	12,800	0	126,006	143,802	13,672	0	130,130
LUNENBURG	5,936	771	31	5,134	5,982	709	30	5,243	6,016	669	35	5,313
MANSFIELD	20,030	1,895	40	18,095	20,153	1,897	55	18,201	19,383	1,825	53	17,506
MARLBOROUGH	19,678	3,871	103	15,705	19,581	4,003	107	15,472	17,743	3,045	182	14,516
MARSHFIELD	15,751	670	5	15,076	15,880	549	79	15,253	16,763	495	148	16,120
MAYNARD	5,001	521	0	4,480	5,116	560	0	4,557	4,915	477	0	4,439
MEDWAY	11,282	618	0	10,664	11,190	604	3	10,583	10,411	562	5	9,844
MERRIMAC	710	176	0	534	740	153	6	582	809	116	5	688
METHUEN	43,774	1,630	0	42,145	43,944	1,484	0	42,460	42,159	1,366	0	40,793
MIDDLEBOROUGH	19,612	531	0	19,082	19,202	477	0	18,726	19,624	484	4	19,136
MILLBURY	8,203	286	40	7,877	8,291	306	43	7,942	8,625	318	52	8,255
MILLIS	5,448	324	41	5,083	5,225	314	43	4,868	4,709	367	44	4,298
NEWBURY	677	194	32	451	698	182	44	472	723	181	44	498
NEWBURYPORT	6,873	2,491	6	4,376	6,797	2,472	31	4,293	7,243	2,318	21	4,904
NORTH ANDOVER	8,195	1,809	72	6,314	8,345	2,007	62	6,277	7,747	2,268	68	5,410
NORTH ATTLEBOROUGH	22,173	2,678	0	19,495	22,324	2,946	0	19,378	23,578	2,951	0	20,621
NORTH READING	8,002	128	90	7,784	8,102	97	109	7,896	7,832	106	89	7,637
NORTHBOROUGH	4,439	301	75	4,062	4,572	404	76	4,092	4,603	368	74	4,161
NORTHBRIDGE	16,415	674	92	15,649	15,884	735	91	15,058	16,426	758	92	15,577
NORTON	14,522	2,799	16	11,708	14,635	2,641	20	11,975	15,457	2,431	28	12,998
NORWELL	3,948	1,105	64	2,779	3,965	961	65	2,939	3,750	944	65	2,740
PAXTON	546	29	30	487	574	27	29	518	588	30	29	529
PEMBROKE	14,362	402	7	13,953	14,373	361	51	13,961	13,857	223	118	13,516
PLYMOUTH	27,574	5,383	62	22,129	27,088	4,644	68	22,376	27,011	4,488	74	22,449
PLYMPTON	794	58	17	719	811	55	18	739	818	53	18	748
PRINCETON	405	5	19	381	418	4	19	394	404	8	18	377
RAYNHAM	1,186	319	0	868	1,216	297	8	911	1,434	258	45	1,131
REHOBOTH	1,061	277	55	728	1,136	245	56	834	1,164	235	57	872
ROCHESTER	2,126	66	0	2,060	2,135	63	2	2,070	2,051	62	6	1,982
ROCKLAND	12,543	2,049	96	10,399	12,650	2,135	113	10,401	12,936	2,127	113	10,695
ROCKPORT	2,557	731	0	1,826	2,389	596	0	1,793	2,424	648	0	1,776
ROWLEY	528	131	36	361	554	130	36	387	606	118	37	450
SALISBURY	924	129	40	755	977	157	26	795	920	155	27	738
SCITUATE	6,541	384	114	6,043	6,689	455	113	6,121	7,088	410	114	6,564
SEEKONK	5,396	357	0	5,039	5,441	324	0	5,116	5,760	328	2	5,430
SHERBORN	692	40	25	627	706	40	25	641	748	39	26	682
SHIRLEY	1,161	26	31	1,103	5,805	1,341	30	4,434	6,213	1,406	29	4,778
SHREWSBURY	21,543	1,869	114	19,560	21,675	1,641	116	19,918	21,954	1,677	119	20,137
SOUTHBOROUGH	3,072	295	15	2,763	3,157	345	16	2,796	3,334	242	57	3,035
STERLING	621	22	34	565	656	22	35	599	673	25	38	610
STOUGHTON	15,968	2,664	34	13,270	15,391	2,726	37	12,628	15,802	2,824	50	12,929
STOW	360	82	4	273	386	81	3	302	401	84	1	316
SUDBURY	5,410	94	90	5,226	5,538	145	89	5,304	5,681	112	104	5,465
SUTTON	6,244	120	50	6,075	6,191	104	51	6,036	6,643	159	52	6,432
TAUNTON	53,678	1,407	12	52,259	52,527	1,303	25	51,199	53,293	1,324	36	51,932
TEWKSBURY	15,178	1,208	0	13,970	15,397	1,155	0	14,242	16,053	887	0	15,166
TOWNSEND	1,296	24	48	1,224	1,357	23	47	1,287	1,517	21	48	1,448
TYNGSBOROUGH	8,493	858	49	7,586	8,481	643	51	7,787	8,868	457	51	8,360
UPTON	567	6	42	520	609	6	42	561	628	12	42	574
WAREHAM	14,517	2,045	0	12,472	14,497	2,151	0	12,346	14,638	2,336	0	12,302
WAYLAND	4,024	162	67	3,794	4,116	197	66	3,853	4,297	123	77	4,097
WEST BOYLSTON	4,146	433	8	3,706	4,081	351	4	3,727	4,346	277	27	4,041
WEST BRIDGEWATER	3,999	635	32	3,332	3,803	741	35	3,028	3,769	740	36	2,993
WEST NEWBURY	310	128	26	155	324	105	25	195	347	104	25	218
WESTBOROUGH	5,566	245	111	5,210	5,547	291	115	5,141	5,865	321	111	5,434
WESTFORD	17,855	334	76	17,446	17,907	379	76	17,452	17,521	386	77	17,058
WESTMINSTER	779	38	15	726	814	33	21	759	779	42	19	719
WHITMAN	2,187	96	69	2,022	2,311	95	73	2,144	2,410	98	74	2,237
WORCESTER	242,483	29,802	0	212,680	232,469	28,433	0	204,036	223,777	26,780	0	196,997
WRENTHAM	4,376	319	1	4,056	4,421	323	11	4,087	4,717	324	13	4,381

Municipality	FY2009				FY2008				FY2007			
	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
<b><u>FOURTEEN CITIES AND TOWNS</u></b>												
ARLINGTON	15,568	181	2,483	12,904	15,973	139	2,490	13,344	15,601	189	2,417	12,995
BELMONT	7,519	108	1,409	6,001	7,020	94	1,412	5,514	6,595	103	1,373	5,119
BOSTON	582,969	71,679	71,437	439,853	582,313	63,610	67,532	451,172	566,857	58,835	66,211	441,811
BROOKLINE	15,586	971	4,453	10,162	15,530	1,034	4,477	10,019	14,578	872	4,358	9,349
CAMBRIDGE	37,326	8,364	8,172	20,790	39,664	8,447	8,064	23,153	39,250	8,065	7,815	23,371
CHELSEA	61,753	2,533	1,983	57,238	60,543	2,162	1,964	56,417	55,502	1,733	1,933	51,836
EVERETT	43,938	6,194	2,238	35,507	38,380	5,228	2,225	30,927	33,324	4,916	2,163	26,244
MALDEN	57,671	6,757	3,361	47,552	55,569	6,283	3,375	45,912	52,320	5,741	3,219	43,360
MEDFORD	26,516	6,890	3,367	16,259	27,690	6,315	3,233	18,142	27,273	6,209	3,152	17,912
MILTON	9,491	1,905	1,566	6,020	9,272	1,929	1,572	5,771	8,716	1,889	1,504	5,323
NEWTON	22,360	597	5,007	16,756	21,396	592	5,023	15,780	19,423	604	4,874	13,945
REVERE	47,376	4,499	2,832	40,045	46,067	3,990	2,767	39,311	42,073	3,550	2,685	35,838
SOMERVILLE	50,476	5,605	4,508	40,364	52,842	5,317	4,528	42,997	52,185	4,678	4,398	43,108
WATERTOWN	11,235	1,963	1,945	7,327	11,618	1,757	1,951	7,909	11,193	1,750	1,896	7,546
<b><u>FIFTY-ONE CITIES AND TOWNS</u></b>												
BEDFORD	5,252	27	260	4,965	4,970	12	251	4,707	4,486	19	243	4,225
BEVERLY	14,823	1,071	797	12,955	15,102	963	803	13,336	14,746	1,018	779	12,950
BRAINTREE	16,577	3,115	689	12,773	15,221	2,925	678	11,617	13,974	2,901	657	10,416
BURLINGTON	8,928	86	502	8,340	8,361	67	469	7,825	7,720	83	450	7,187
CANTON	6,777	492	439	5,846	6,608	416	434	5,757	6,132	377	417	5,337
COHASSET	2,408	901	146	1,361	2,389	944	145	1,300	2,227	954	141	1,132
CONCORD	4,371	58	338	3,975	4,268	43	339	3,887	4,003	55	328	3,620
DANVERS	8,496	430	521	7,545	8,467	373	524	7,570	8,000	300	497	7,202
DEDHAM	8,183	1,841	476	5,866	8,322	1,738	478	6,105	8,098	1,801	450	5,847
DOVER	1,054	157	114	784	980	153	114	713	839	149	110	580
FRAMINGHAM	30,048	2,325	1,305	26,417	28,006	2,236	1,310	24,460	24,347	2,364	1,272	20,711
HAMILTON	998	77	167	754	1,034	77	168	789	1,001	79	163	759
HINGHAM	7,109	2,301	439	4,369	6,931	2,302	433	4,195	6,373	2,213	411	3,749
HOLBROOK	6,901	323	216	6,362	6,973	1,251	217	5,505	6,541	1,164	210	5,166
HULL	6,554	1,027	226	5,301	6,798	1,173	227	5,398	6,727	1,249	219	5,259
LEXINGTON	9,778	93	609	9,076	9,064	86	609	8,369	8,117	84	590	7,443
LINCOLN	2,068	23	160	1,885	2,011	22	160	1,829	1,885	52	155	1,678
LYNN	146,471	6,724	1,773	137,973	143,071	5,582	1,788	135,702	135,188	4,665	1,735	128,789
LYNNFIELD	5,450	63	231	5,156	4,892	63	232	4,596	3,716	61	226	3,430
MANCHESTER	318	42	107	169	342	8	107	227	333	12	104	217
MARBLEHEAD	6,789	1,273	408	5,109	6,479	1,989	409	4,082	5,966	1,815	395	3,756
MEDFIELD	7,910	206	248	7,456	7,711	170	249	7,292	7,080	164	240	6,676
MELROSE	14,567	2,740	537	11,290	13,086	2,251	531	10,304	12,723	1,963	514	10,246
MIDDLETON	2,352	52	188	2,112	2,288	67	187	2,034	2,108	65	177	1,866
NAHANT	1,052	154	72	826	985	32	72	880	920	27	70	822
NATICK	10,962	910	643	9,409	10,888	1,001	643	9,244	10,473	1,017	623	8,834
NEEDHAM	8,419	532	572	7,316	7,602	486	572	6,544	6,802	483	563	5,757
NORFOLK	4,949	231	208	4,511	4,967	282	211	4,473	4,836	261	203	4,372
NORWOOD	11,012	456	572	9,984	10,839	359	573	9,907	10,127	341	553	9,232
PEABODY	29,256	5,018	1,043	23,195	29,628	4,607	1,032	23,989	28,890	4,368	977	23,546
QUINCY	40,755	961	1,835	37,959	41,137	971	1,817	38,349	39,647	886	1,743	37,018
RANDOLPH	19,274	4,810	611	13,852	19,488	4,131	613	14,744	18,718	3,505	596	14,617
READING	13,384	132	465	12,787	12,529	116	466	11,946	11,533	103	453	10,978
SALEM	23,407	5,285	833	17,288	23,189	5,373	841	16,975	22,152	5,102	813	16,237
SAUGUS	9,184	1,155	546	7,482	9,253	2,581	542	6,130	8,927	2,323	519	6,085
SHARON	8,948	375	345	8,228	8,917	380	346	8,191	8,707	372	336	7,998
STONEHAM	8,202	1,715	433	6,054	8,495	1,677	435	6,383	8,152	1,659	422	6,070
SWAMPSCOTT	4,653	627	285	3,741	4,417	313	288	3,817	4,129	262	280	3,587
TOPSFIELD	2,003	45	124	1,834	2,033	59	124	1,850	1,890	33	121	1,736
WAKEFIELD	9,264	643	495	8,126	9,413	601	495	8,317	9,026	514	478	8,035
WALPOLE	10,888	656	467	9,765	10,182	665	465	9,051	9,097	602	437	8,059
WALTHAM	20,395	302	1,196	18,897	21,010	255	1,199	19,556	20,185	227	1,148	18,809
WELLESLEY	8,462	478	544	7,440	6,703	469	543	5,691	5,850	476	514	4,860
WENHAM	541	27	93	421	588	27	94	467	573	28	86	459
WESTON	3,223	33	235	2,956	2,869	32	233	2,603	2,411	17	225	2,170
WESTWOOD	4,644	241	279	4,125	4,257	240	280	3,737	3,717	239	272	3,207
WEYMOUTH	35,279	5,151	1,080	29,048	34,088	4,638	1,083	28,367	32,961	4,333	1,051	27,578
WILMINGTON	13,311	164	434	12,713	10,337	125	432	9,780	8,235	141	418	6,766
WINCHESTER	7,165	31	425	6,709	6,279	29	426	5,823	5,659	36	410	5,213
WINTHROP	10,471	303	347	9,821	10,756	926	344	9,486	10,491	903	339	9,250
WOBURN	14,160	3,118	746	10,296	13,935	3,078	748	10,109	13,161	2,960	726	9,475
<b><u>OTHER SERVED COMMUNITIES</u></b>												
ABINGTON	10,525	345	81	10,099	10,316	258	88	9,970	9,994	247	89	9,658
ACTON	7,072	112	108	6,853	6,289	103	108	6,077	5,175	99	105	4,972
AMESBURY	12,257	2,636	19	9,602	12,166	2,600	46	9,520	11,814	2,615	40	9,159
ANDOVER	10,548	2,793	80	7,674	9,963	2,779	95	7,088	9,122	2,405	96	6,621
ASHBURNHAM	935	34	18	883	1,009	29	24	956	977	28	24	925
ASHBY	539	5	16	517	574	7	15	552	560	6	13	542
ASHLAND	6,614	575	99	5,939	6,125	599	99	5,428	5,537	367	95	5,075
ATTLEBORO	38,253	3,489	0	34,764	37,112	3,103	35	33,973	36,127	2,722	62	33,343
AUBURN	8,217	659	1	7,557	7,674	676	15	6,983	6,704	637	16	6,052
AYER	6,248	531	26	5,691	6,245	440	29	5,777	6,008	403	29	5,577
BELLINGHAM	10,966	728	101	10,137	10,717	634	100	9,983	10,142	575	97	9,471
BERKLEY	6,380	211	35	6,134	6,309	199	35	6,075	6,115	186	36	5,893
BILLERICA	25,651	4,614	71	20,966	24,345	3,893	67	20,386	22,386	3,144	63	19,178
BOXBOROUGH	1,895	39	22	1,834	1,745	42	32	1,671	1,714	27	31	1,655
BOXFORD	2,375	104	51	2,221	2,350	90	50	2,210	2,277	90	45	2,141
BRIDGEWATER	4,341	297	144	3,900	4,718	289	144	4,285	4,628	298	142	4,188
BROCKTON	154,419	5,141	0	149,278	150,467	4,975	0	145,492	145,026	4,717	0	140,309
CARLISLE	1,399	23	20	1,356	1,358	40	31	1,287	1,244	27	30	1,186
CARVER	12,334	280	31	12,022	12,206	281	23	11,902	11,852	272	47	11,533
CHELMSFORD	16,255	1,886	16	14,353	15,670	1,633	21	14,016	14,493	1,334	19	13,141
DRACUT	22,184	572	160	21,452	21,250	646	158	20,446	20,079	530	151	19,397
DUXBURY	5,636	151	93	5,392	4,914	155	93	4,666	4,450	183	90	4,177
EAST BRIDGEWATER	12,786	168	56	12,562	12,423	168	59	12,196	12,013	122	60	11,831

Municipality	FY2009				FY2008				FY2007			
	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
EASTON	12,785	571	146	12,068	12,003	573	146	11,283	11,236	543	141	10,551
ESSEX	316	31	20	265	345	32	20	293	341	34	19	289
FITCHBURG	53,221	4,093	0	49,128	53,172	4,205	0	48,966	51,696	3,907	0	47,789
FOXBOROUGH	10,815	1,748	97	8,970	10,171	1,676	104	8,391	9,927	1,640	100	8,186
FRANKLIN	33,197	3,896	192	29,108	31,000	3,751	196	27,052	29,942	5,051	185	24,706
FREETOWN	3,011	180	24	2,807	3,009	176	57	2,776	2,726	167	55	2,504
GEORGETOWN	5,858	332	46	5,480	5,811	376	46	5,389	5,494	317	47	5,130
GLOUCESTER	11,418	3,673	0	7,745	11,673	3,329	0	8,344	11,330	3,355	0	7,976
GRAFTON	10,140	211	105	9,823	9,859	154	101	9,604	8,653	178	95	8,380
GROTON	1,050	27	48	975	1,126	27	47	1,051	1,116	27	45	1,044
GROVELAND	1,027	132	38	856	1,075	158	41	876	1,030	98	34	897
HALIFAX	3,826	113	49	3,664	3,796	82	50	3,665	3,651	65	48	3,538
HANOVER	8,678	389	90	8,199	8,776	397	90	8,289	8,284	353	85	7,864
HANSON	1,500	65	63	1,372	1,647	59	63	1,525	1,592	58	61	1,473
HARVARD	3,937	612	29	3,295	3,928	646	32	3,250	3,725	683	31	3,011
HAVERHILL	49,290	4,515	3	44,773	49,197	4,130	46	45,020	47,027	3,497	9	43,520
HOLDEN	2,201	70	72	2,059	2,399	74	70	2,256	2,321	69	63	2,189
HOLLISTON	9,542	459	88	8,995	9,361	503	88	8,770	9,114	403	85	8,625
HOPKINTON	7,258	372	90	6,796	7,070	343	90	6,637	6,894	321	86	6,486
IPSWICH	5,701	233	80	5,388	5,650	263	80	5,307	5,217	264	78	4,875
KINGSTON	5,259	161	42	5,056	4,933	200	52	4,681	4,798	163	56	4,580
LAKEVILLE	3,517	98	53	3,366	3,527	102	58	3,366	3,423	98	57	3,268
LANCASTER	1,106	87	28	992	1,195	91	24	1,080	1,167	36	22	1,109
LAWRENCE	161,939	17,016	0	144,922	156,663	16,412	0	140,251	150,829	15,372	15	135,442
LEICESTER	12,330	366	18	11,946	12,088	410	4	11,674	11,847	333	1	11,513
LEOMINSTER	48,760	2,601	0	46,158	44,367	2,478	0	41,889	42,291	2,238	0	40,053
LITTLETON	4,190	919	34	3,237	3,570	875	42	2,653	3,139	871	40	2,228
LOWELL	153,761	13,109	0	140,651	155,712	12,837	0	142,875	150,572	12,624	0	137,948
LUNENBURG	6,510	764	37	5,709	6,296	643	39	5,614	5,913	784	38	5,092
MANSFIELD	20,378	1,817	69	18,491	18,601	1,652	91	16,858	17,265	1,788	100	15,377
MARLBOROUGH	19,241	2,446	175	16,620	17,404	2,120	182	15,102	15,420	1,747	182	13,491
MARSHFIELD	17,675	441	157	17,077	17,361	553	158	16,650	16,838	591	152	16,095
MAYNARD	5,404	392	65	4,948	5,125	270	65	4,790	4,633	147	63	4,423
MEDWAY	10,949	410	64	10,474	10,108	373	66	9,670	9,326	383	79	8,864
MERRIMAC	889	132	0	757	979	121	3	855	953	107	0	846
METHUEN	44,583	1,232	0	43,351	43,944	1,240	0	42,705	40,812	1,195	0	39,617
MIDDLEBOROUGH	20,653	441	35	20,177	20,297	321	60	19,916	19,930	373	95	19,462
MILLBURY	9,252	306	52	8,895	9,167	424	55	8,688	8,894	399	54	8,440
MILLIS	5,082	381	45	4,656	4,368	929	42	3,397	3,656	913	42	2,701
NEWBURY	809	121	44	644	844	114	44	686	805	137	42	626
NEWBURYPORT	8,272	2,432	0	5,840	8,530	2,154	7	6,369	8,386	2,018	0	6,348
NORTH ANDOVER	8,561	2,231	76	6,254	8,248	2,090	93	6,065	7,676	2,022	106	5,548
NORTH ATTLEBOROUGH	24,942	2,993	9	21,939	24,359	2,882	59	21,419	23,412	2,843	88	20,482
NORTH READING	8,500	78	88	8,333	7,835	70	89	7,676	7,392	79	86	7,227
NORTHBOROUGH	4,947	255	72	4,620	4,836	266	74	4,496	4,473	219	63	4,191
NORTHBRIDGE	17,209	646	91	16,472	17,522	583	90	16,849	16,753	761	85	15,908
NORTON	16,451	2,415	39	13,997	15,952	2,105	72	13,774	15,632	1,866	73	13,693
NORWELL	4,145	964	66	3,115	3,958	1,051	66	2,841	3,659	1,029	64	2,566
PAXTON	667	37	29	601	714	52	29	633	689	47	28	614
PEMBROKE	14,546	287	117	14,142	13,803	291	112	13,400	12,306	235	105	11,967
PLYMOUTH	28,555	4,260	152	24,143	26,902	3,811	244	22,847	25,710	3,522	258	21,930
PLYMPTON	896	53	18	825	874	52	18	804	835	53	17	766
PRINCETON	505	12	18	475	531	10	20	501	502	10	20	473
RAYNHAM	1,951	259	46	1,646	2,076	251	67	1,759	2,051	227	74	1,750
REHOBOTH	1,363	242	57	1,064	1,426	244	58	1,124	1,454	270	57	1,128
ROCHESTER	2,191	61	14	2,116	2,125	58	14	2,053	1,980	57	32	1,891
ROCKLAND	13,908	2,124	113	11,670	13,574	1,932	113	11,528	13,116	1,662	110	11,344
ROCKPORT	2,663	616	0	2,047	2,572	628	0	1,944	2,368	704	0	1,664
ROWLEY	750	118	37	596	812	94	37	681	784	97	35	653
SALISBURY	1,127	137	31	959	1,143	159	43	940	1,081	160	43	877
SCITUATE	7,796	386	115	7,295	7,332	373	115	6,844	6,734	369	112	6,253
SEEKONK	6,207	297	28	5,881	5,948	286	17	5,645	5,289	285	37	4,967
SHERBORN	842	38	27	777	787	37	27	723	703	37	26	640
SHIRLEY	6,635	1,255	33	5,347	6,546	1,077	34	5,435	6,458	1,091	32	5,335
SHREWSBURY	23,023	1,361	142	21,521	21,694	1,009	142	20,543	19,935	751	132	19,052
SOUTHBOROUGH	3,575	233	57	3,285	3,485	208	57	3,220	3,370	170	55	3,146
STERLING	876	30	38	808	962	29	38	895	920	31	35	855
STOUGHTON	16,859	2,588	65	14,206	15,940	2,473	72	13,396	14,305	2,319	72	11,913
STOW	507	44	39	423	556	42	39	474	544	42	38	465
SUDBURY	6,267	190	108	5,970	6,037	57	108	5,872	5,625	88	105	5,432
SUTTON	6,962	160	49	6,754	6,841	186	41	6,614	6,563	229	40	6,295
TAUNTON	56,666	1,350	44	55,272	55,917	1,319	92	54,505	54,018	1,159	109	52,750
TEWKSBURY	17,091	743	0	16,348	17,031	569	0	16,462	16,521	446	0	16,075
TOWNSEND	1,751	21	47	1,683	1,860	20	48	1,792	1,789	21	46	1,723
TYNGSBOROUGH	9,027	243	49	8,734	8,750	209	49	8,493	8,505	130	60	8,314
UPTON	727	17	41	669	777	17	41	719	732	16	38	677
WAREHAM	15,376	2,092	0	13,284	14,965	1,701	45	13,218	14,526	1,426	64	13,036
WAYLAND	4,650	108	82	4,460	4,453	93	83	4,277	4,111	136	80	3,895
WEST BOYLSTON	4,611	263	8	4,340	4,568	249	10	4,309	4,401	167	11	4,223
WEST BRIDGEWATER	4,063	761	34	3,268	3,791	626	33	3,132	3,436	588	33	2,814
WEST NEWBURY	438	66	26	345	464	69	26	370	455	95	25	334
WESTBOROUGH	6,268	190	110	5,968	5,678	201	98	5,379	4,916	169	105	4,641
WESTFORD	18,441	292	76	18,073	17,050	258	105	16,687	15,950	211	118	15,622
WESTMINSTER	980	43	22	915	1,045	42	24	979	1,004	40	22	941
WHITMAN	2,625	91	78	2,456	2,931	80	82	2,769	2,869	75	80	2,715
WORCESTER	239,970	25,632	0	214,338	237,298	23,628	0	213,670	228,562	20,244	0	208,318
WRENTHAM	5,086	323	65	4,699	5,100	348	70	4,682	4,965	306	68	4,591

Municipality	FY2006				FY2005				FY2004			
	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
<b><u>FOURTEEN CITIES AND TOWNS</u></b>												
ARLINGTON	14,791	195	2,348	12,248	15,390	225	2,458	12,707	15,275	205	2,581	12,489
BELMONT	6,708	90	1,337	5,280	7,373	120	1,351	5,902	7,289	86	1,370	5,833
BOSTON	538,999	55,433	65,185	418,381	531,602	51,801	65,075	414,726	513,213	45,062	64,591	403,560
BROOKLINE	14,585	1,012	4,232	9,341	17,094	817	4,446	11,831	17,090	788	4,665	11,636
CAMBRIDGE	38,239	8,227	7,590	22,421	40,753	5,628	7,418	27,707	38,644	4,643	7,266	26,735
CHELSEA	51,908	1,362	1,911	48,635	59,462	1,441	1,856	56,166	58,253	937	1,775	55,541
EVERETT	30,133	4,339	2,104	23,690	31,140	4,034	2,110	24,996	27,530	3,265	2,129	22,137
MALDEN	48,161	5,131	3,128	39,903	52,007	5,070	3,170	43,766	48,513	4,455	3,223	40,834
MEDFORD	25,352	5,373	3,067	16,912	28,350	4,755	3,207	20,388	27,823	4,090	3,369	20,363
MILTON	7,464	1,568	1,448	4,448	7,284	1,378	1,454	4,452	7,257	1,233	1,462	4,562
NEWTON	19,244	429	4,725	14,089	20,688	290	4,743	15,655	20,296	189	4,819	15,288
REVERE	37,240	3,055	2,634	31,551	36,152	2,391	2,740	31,021	36,013	1,878	2,831	31,304
SOMERVILLE	49,703	4,315	4,275	41,112	51,460	4,557	4,397	42,505	51,370	5,051	4,535	41,784
WATERTOWN	10,363	1,460	1,844	7,059	10,966	1,196	1,895	7,875	10,979	1,126	1,967	7,886
<b><u>FIFTY-ONE CITIES AND TOWNS</u></b>												
BEDFORD	4,147	31	235	3,881	4,495	35	258	4,202	4,338	38	281	4,019
BEVERLY	13,598	890	752	11,956	14,795	844	786	13,165	14,727	778	821	13,129
BRAINTREE	12,222	2,449	630	9,143	11,700	2,060	707	8,933	11,564	1,731	784	9,049
BURLINGTON	7,113	70	427	6,616	6,913	43	488	6,382	6,883	51	551	6,282
CANTON	5,359	314	400	4,645	5,447	320	424	4,703	5,401	293	446	4,663
COHASSET	2,061	764	136	1,160	2,421	636	141	1,644	2,394	647	146	1,601
CONCORD	4,028	52	316	3,660	3,390	28	326	3,035	3,272	58	337	2,877
DANVERS	7,287	242	478	6,568	7,694	244	505	6,945	7,669	206	536	6,927
DEDHAM	7,363	1,466	434	5,463	6,956	1,127	496	5,333	6,949	972	560	5,417
DOVER	714	145	106	462	1,387	135	108	1,144	1,375	132	110	1,133
FRAMINGHAM	21,434	2,405	1,237	17,791	23,956	2,737	1,303	19,916	22,769	2,150	1,368	19,251
HAMILTON	833	19	157	656	725	17	161	547	693	35	165	493
HINGHAM	5,682	1,832	380	3,471	7,686	1,521	406	5,759	7,465	1,213	432	5,819
HOLBROOK	5,918	981	203	4,735	5,664	781	225	4,658	5,610	746	248	4,616
HULL	6,455	1,319	211	4,925	6,315	1,576	223	4,516	6,157	1,612	233	4,312
LEXINGTON	8,416	61	572	7,783	8,059	51	623	7,385	7,895	46	675	7,173
LINCOLN	2,017	8	151	1,859	2,433	7	162	2,264	2,302	7	172	2,122
LYNN	127,252	2,876	1,673	122,703	130,260	2,131	1,788	126,341	126,771	1,430	1,909	123,431
LYNNFIELD	3,275	112	218	2,945	3,039	94	232	2,713	2,988	588	246	2,154
MANCHESTER	296	8	100	188	266	8	105	153	266	8	111	147
MARBLEHEAD	6,053	1,987	382	3,684	4,848	1,934	419	2,495	4,066	1,336	457	2,273
MEDFIELD	6,474	147	232	6,095	6,405	146	237	6,022	6,023	146	241	5,636
MELROSE	12,285	1,579	500	10,206	12,379	1,450	578	10,352	11,968	1,085	658	10,226
MIDDLETON	1,677	61	168	1,449	1,672	55	156	1,461	1,650	79	137	1,433
NAHANT	845	24	68	754	796	38	85	673	794	39	103	652
NATICK	9,654	721	604	8,328	10,391	462	651	9,277	10,086	141	700	9,245
NEEDHAM	6,631	437	544	5,649	6,631	384	581	5,665	7,038	390	618	6,029
NORFOLK	4,517	235	195	4,087	4,908	307	202	4,400	4,802	238	208	4,355
NORWOOD	9,253	346	537	8,370	8,738	350	596	7,792	8,717	440	654	7,623
PEABODY	27,377	3,531	929	22,916	24,503	2,975	963	20,565	23,681	2,451	989	20,242
QUINCY	36,649	798	1,664	34,187	36,244	693	2,068	33,482	36,088	672	2,470	32,947
RANDOLPH	16,710	2,535	578	13,597	16,863	1,944	651	14,268	16,697	1,572	726	14,400
READING	10,511	50	441	10,020	11,701	42	477	11,183	11,636	55	515	11,066
SALEM	19,961	4,398	786	14,777	24,117	3,037	843	20,237	23,257	2,032	884	20,341
SAUGUS	8,119	1,752	495	5,872	8,422	1,425	570	6,427	8,347	1,209	646	6,491
SHARON	8,441	388	326	7,726	9,226	462	351	8,413	8,774	337	376	8,062
STONEHAM	7,404	1,283	411	5,711	8,884	1,094	439	7,351	8,820	832	468	7,521
SWAMPSCOTT	3,849	176	270	3,403	3,567	124	312	3,131	3,538	151	356	3,031
TOPSFIELD	1,467	32	117	1,318	1,863	28	122	1,713	1,836	42	127	1,667
WAKEFIELD	8,582	506	463	7,613	9,232	493	508	8,231	9,073	416	555	8,101
WALPOLE	7,907	577	421	6,910	7,757	648	459	6,650	7,593	528	484	6,581
WALTHAM	17,929	172	1,100	16,657	16,931	184	1,180	15,566	16,907	174	1,267	15,465
WELLESLEY	5,775	431	496	4,847	5,690	520	516	4,654	6,218	473	537	5,208
WENHAM	517	27	83	407	474	25	84	365	469	24	86	360
WESTON	2,802	15	218	2,570	3,808	35	219	3,554	3,686	16	219	3,450
WESTWOOD	3,425	223	264	2,939	3,380	234	280	2,865	3,435	218	297	2,920
WEYMOUTH	30,335	3,697	1,019	25,619	28,974	2,962	1,137	24,875	28,724	2,491	1,251	24,982
WILMINGTON	6,531	96	404	6,031	8,300	81	407	7,811	8,256	82	411	7,763
WINCHESTER	4,995	29	396	4,571	5,717	42	424	5,251	5,688	60	454	5,174
WINTHROP	9,881	739	336	8,806	10,490	704	378	9,408	10,209	535	419	9,255
WOBURN	12,124	2,355	706	9,063	11,528	1,869	763	8,897	11,435	1,453	812	9,170
<b><u>OTHER SERVED COMMUNITIES</u></b>												
ABINGTON	9,209	177	86	8,946	8,830	137	66	8,626	8,060	79	47	7,934
ACTON	4,417	129	101	4,187	5,143	115	76	4,952	5,095	105	51	4,939
AMESBURY	11,352	2,389	25	8,937	12,624	2,292	7	10,325	12,585	2,262	0	10,323
ANDOVER	7,905	1,906	80	5,919	9,236	1,566	44	7,627	9,199	1,400	0	7,799
ASHBURNHAM	781	25	23	734	669	24	15	630	653	24	6	623
ASHBY	431	8	12	411	382	7	9	366	373	8	10	355
ASHLAND	4,527	364	91	4,071	4,885	143	139	4,602	4,812	123	186	4,503
ATTLEBORO	33,705	2,326	58	31,321	36,762	2,050	8	34,704	35,721	1,766	0	33,955
AUBURN	5,899	654	0	5,246	5,555	747	6	4,802	5,462	623	0	4,839
AYER	5,825	426	30	5,369	5,725	413	21	5,290	5,735	445	12	5,278
BELLINGHAM	9,643	497	93	9,053	11,766	538	73	11,154	11,464	481	54	10,929
BERKLEY	5,624	184	34	5,406	6,909	207	26	6,676	6,720	174	17	6,529
BILLERICA	20,353	2,536	52	17,765	19,662	2,219	8	17,435	19,447	1,587	0	17,860
BOXBOROUGH	1,634	64	30	1,540	1,918	46	23	1,849	1,910	44	17	1,849
BOXFORD	2,123	26	49	2,049	2,374	15	38	2,320	2,339	15	28	2,296
BRIDGEWATER	3,886	297	133	3,456	4,299	279	105	3,915	4,267	270	73	3,924
BROCKTON	134,371	4,373	0	129,999	131,806	3,573	0	128,233	131,415	3,271	0	128,144
CARLISLE	1,126	4	29	1,093	1,734	25	23	1,687	1,649	4	17	1,628
CARVER	11,023	240	46	10,738	11,755	197	32	11,526	11,322	225	18	11,079
CHELMSFORD	13,126	1,084	12	12,030	12,809	1,138	0	11,671	12,721	1,245	0	11,476
DRACUT	18,619	496	145	17,978	19,787	466	111	19,210	19,194	302	77	18,815
DUXBURY	3,945											



Municipality	FY2006				FY2005				FY2004			
	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
EASTON	10,342	542	136	9,665	11,036	555	106	10,374	10,804	476	79	10,250
ESSEX	314	29	18	267	281	7	14	260	273	7	10	256
FITCHBURG	47,856	3,788	0	44,069	49,599	3,653	0	45,946	49,059	3,095	0	45,964
FOXBOROUGH	8,524	1,570	97	6,858	7,907	1,381	77	6,448	7,668	1,344	57	6,267
FRANKLIN	27,086	4,513	178	22,395	26,817	3,954	141	22,723	25,322	3,219	104	21,998
FREETOWN	2,099	180	52	1,866	1,931	164	41	1,726	1,883	144	30	1,710
GEORGETOWN	4,604	268	34	4,303	5,616	208	24	5,384	5,571	199	26	5,346
GLOUCESTER	10,750	2,842	0	7,908	11,714	2,557	0	9,157	11,729	2,356	0	9,373
GRAFTON	7,593	187	87	7,319	7,483	203	70	7,210	7,381	197	49	7,136
GROTON	908	26	42	840	765	24	29	712	693	23	16	653
GROVELAND	777	68	37	672	866	56	29	781	842	54	21	766
HALIFAX	3,426	93	46	3,287	3,459	64	36	3,359	3,409	48	26	3,334
HANOVER	7,434	302	81	7,052	6,789	216	121	6,452	6,541	108	161	6,272
HANSON	1,386	61	58	1,266	1,314	58	46	1,209	1,306	54	34	1,219
HARVARD	3,401	567	30	2,804	3,286	443	22	2,821	3,242	360	9	2,873
HAVERHILL	44,061	2,902	5	41,153	46,321	2,615	0	43,705	45,798	1,549	0	44,249
HOLDEN	1,897	72	28	1,797	1,981	101	10	1,870	2,060	98	0	1,963
HOLLISTON	8,480	252	83	8,145	10,069	147	66	9,857	9,964	100	49	9,816
HOPKINTON	6,057	266	83	5,708	8,813	170	65	8,577	8,287	172	47	8,068
IPSWICH	4,816	228	75	4,513	6,442	210	58	6,175	6,225	283	42	5,900
KINGSTON	4,535	152	57	4,326	5,842	140	38	5,664	5,777	114	27	5,636
LAKEVILLE	3,061	101	54	2,906	3,361	90	41	3,230	2,964	118	27	2,819
LANCASTER	1,017	35	20	962	894	32	17	845	861	33	15	813
LAWRENCE	140,219	13,480	44	126,695	142,251	12,085	0	130,166	138,303	11,086	0	127,217
LEICESTER	10,595	281	5	10,309	11,216	307	0	10,909	11,002	198	0	10,804
LEOMINSTER	39,615	2,299	0	37,316	39,005	2,321	0	36,684	37,318	2,357	0	34,961
LITTLETON	2,615	716	38	1,860	3,929	768	28	3,134	3,728	522	14	3,192
LOWELL	140,719	9,738	0	130,981	153,068	8,476	0	144,592	146,530	6,680	0	139,849
LUNENBURG	5,371	655	36	4,679	5,233	751	24	4,458	5,069	682	13	4,374
MANSFIELD	14,317	1,701	104	12,511	15,147	1,564	68	13,516	14,410	1,345	49	13,015
MARLBOROUGH	13,096	1,056	180	11,860	13,572	397	133	13,042	13,512	450	82	12,980
MARSHFIELD	14,908	641	146	14,121	15,726	547	219	14,960	15,546	408	291	14,847
MAYNARD	4,321	129	61	4,131	5,550	112	49	5,389	5,451	64	37	5,350
MEDWAY	7,804	356	76	7,371	8,065	426	60	7,579	8,050	365	44	7,641
MERRIMAC	804	79	0	725	1,151	76	0	1,075	1,114	56	0	1,058
METHUEN	36,688	943	0	35,745	39,377	897	0	38,481	36,367	905	0	35,463
MIDDLEBOROUGH	18,132	325	94	17,713	19,117	202	65	18,851	19,074	287	42	18,744
MILLBURY	7,902	321	36	7,546	7,555	319	21	7,216	7,316	338	5	6,973
MILLIS	3,322	695	42	2,585	3,809	668	68	3,074	3,759	594	99	3,065
NEWBURY	605	131	41	434	1,388	123	32	1,232	1,349	111	24	1,214
NEWBURYPORT	7,850	1,965	0	5,885	7,702	2,061	0	5,641	7,483	1,666	0	5,817
NORTH ANDOVER	6,810	1,501	100	5,208	8,354	1,282	67	7,004	8,203	1,013	34	7,156
NORTH ATTLEBOROUGH	21,926	2,565	85	19,276	22,337	2,330	49	19,958	21,818	1,910	17	19,891
NORTH READING	6,065	28	83	5,954	5,891	14	127	5,750	5,727	30	171	5,526
NORTHBOROUGH	3,975	179	61	3,735	4,361	133	45	4,184	4,310	120	30	4,160
NORTHBRIDGE	15,854	529	81	15,244	16,683	574	63	16,045	15,974	530	47	15,398
NORTON	14,711	1,512	79	13,120	15,289	1,304	50	13,935	14,639	899	32	13,708
NORWELL	3,248	828	61	2,360	4,119	685	93	3,341	4,108	679	126	3,303
PAXTON	670	33	27	611	574	31	21	521	551	34	15	501
PEMBROKE	10,305	194	99	10,012	9,882	200	149	9,533	9,718	125	196	9,397
PLYMOUTH	22,408	2,785	251	19,372	24,548	2,565	179	21,804	23,815	1,866	117	21,832
PLYMPTON	757	38	16	703	704	36	13	655	700	39	9	651
PRINCETON	500	10	19	471	808	9	16	783	754	9	11	734
RAYNHAM	1,909	208	70	1,631	1,785	204	53	1,527	1,769	209	37	1,523
REHOBOTH	1,237	285	54	898	1,005	258	39	708	930	259	25	646
ROCHESTER	1,812	57	30	1,725	2,199	52	23	2,123	2,086	50	16	2,019
ROCKLAND	12,166	1,270	106	10,790	11,730	983	157	10,590	11,555	645	208	10,702
ROCKPORT	2,083	633	0	1,450	3,056	512	0	2,544	3,020	448	0	2,573
ROWLEY	655	121	33	500	930	72	26	832	892	59	19	814
SALISBURY	818	157	8	653	651	184	0	467	643	150	28	465
SCITUATE	6,391	307	107	5,976	5,715	361	161	5,193	5,600	299	216	5,085
SEEKONK	4,433	256	51	4,127	5,200	250	31	4,919	5,199	256	27	4,917
SHERBORN	631	42	25	564	831	35	40	756	819	35	54	730
SHIRLEY	6,038	881	29	5,128	5,778	768	15	4,994	5,685	777	7	4,901
SHREWSBURY	17,285	728	113	16,445	18,622	603	91	17,928	16,746	392	42	16,312
SOUTHBOROUGH	3,152	121	53	2,977	3,962	65	40	3,857	3,952	73	29	3,850
STERLING	755	30	32	693	651	30	23	599	645	29	11	605
STOUGHTON	12,652	1,871	73	10,708	12,243	1,524	43	10,675	12,089	1,225	17	10,847
STOW	454	39	36	379	395	36	29	331	392	35	21	335
SUDBURY	5,655	131	102	5,422	8,081	25	150	7,907	8,340	20	198	8,122
SUTTON	6,019	149	28	5,842	6,933	171	26	6,736	6,643	132	8	6,504
TAUNTON	51,051	1,070	108	49,873	51,540	904	39	50,596	51,154	896	0	50,258
TEWKSBURY	15,468	516	0	14,952	15,760	432	0	15,328	15,188	399	0	14,789
TOWNSEND	1,410	18	44	1,348	1,197	17	33	1,146	1,142	18	22	1,102
TYNGSBOROUGH	7,899	143	57	7,699	8,125	128	43	7,954	7,723	82	29	7,611
UPTON	660	15	36	609	566	15	28	523	523	15	20	488
WAREHAM	13,626	1,131	68	12,426	14,405	942	35	13,427	14,283	769	18	13,496
WAYLAND	4,202	59	78	4,066	4,252	32	120	4,100	4,170	12	162	3,996
WEST BOYLSTON	4,033	116	13	3,903	4,464	104	9	4,352	4,426	114	0	4,312
WEST BRIDGEWATER	2,966	527	32	2,407	2,684	445	25	2,215	2,666	366	19	2,281
WEST NEWBURY	351	37	25	289	312	40	20	252	307	30	15	263
WESTBOROUGH	4,211	140	103	3,969	4,517	127	79	4,310	4,477	153	55	4,269
WESTFORD	13,954	218	112	13,625	16,407	207	86	16,115	14,537	178	60	14,298
WESTMINSTER	857	39	20	797	724	39	12	674	680	39	2	639
WHITMAN	2,463	72	76	2,314	2,194	71	59	2,063	2,151	63	41	2,047
WORCESTER	213,528	18,402	0	195,126	219,416	16,235	0	203,181	213,862	14,618	0	199,244
WRENTHAM	4,878	320	65	4,494	5,135	327	51	4,756	4,978	288	37	4,653

Table with 13 columns: Municipality, FY2003 (Total Local Aid, All Other Assessments, Assessment, Net Local Aid), FY2002 (Total Local Aid, All Other Assessments, Assessment, Net Local Aid), FY2001 (Total Local Aid, All Other Assessments, Assessment, Net Local Aid). Rows are categorized into 'FOURTEEN CITIES AND TOWNS', 'FIFTY-ONE CITIES AND TOWNS', and 'OTHER SERVED COMMUNITIES'.

Municipality	FY2003				FY2002				FY2001			
	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
EASTON	10,930	316	52	10,562	10,974	309	27	10,638	10,533	284	0	10,249
ESSEX	310	4	6	301	350	4	3	344	362	13	0	349
FITCHBURG	50,471	551	0	49,921	50,447	539	0	49,909	45,578	533	0	45,045
FOXBOROUGH	8,977	151	38	8,787	8,995	131	20	8,844	8,778	139	0	8,639
FRANKLIN	24,953	855	70	24,028	23,959	728	36	23,195	22,121	663	0	21,458
FREETOWN	2,327	124	20	2,183	2,382	120	11	2,251	2,309	115	0	2,194
GEORGETOWN	5,399	43	17	5,339	5,445	39	10	5,396	5,270	52	0	5,217
GLOUCESTER	13,539	1,267	0	12,273	13,729	1,076	0	12,653	13,518	1,063	0	12,456
GRAFTON	7,229	31	28	7,170	7,243	31	10	7,202	7,201	34	0	7,167
GROTON	817	20	5	792	859	20	0	839	851	19	0	832
GROVELAND	1,040	26	14	1,000	1,068	23	7	1,037	1,056	33	0	1,024
HALIFAX	3,817	38	18	3,761	3,857	36	9	3,811	3,828	33	0	3,795
HANOVER	6,958	78	203	6,676	7,040	75	246	6,719	6,663	73	287	6,303
HANSON	1,446	47	22	1,377	1,477	44	12	1,421	1,503	42	0	1,461
HARVARD	4,495	182	5	4,308	4,506	148	15	4,344	4,291	105	0	4,186
HAYERHILL	50,042	421	0	49,621	50,389	418	0	49,972	49,409	476	0	48,933
HOLDEN	2,354	92	0	2,262	2,428	90	0	2,337	2,388	90	0	2,298
HOLLISTON	11,125	52	32	11,040	11,170	47	17	11,106	10,783	37	0	10,746
HOPKINTON	8,474	51	31	8,391	8,382	7	14	8,361	5,361	6	0	5,355
IPSWICH	6,876	97	27	6,752	6,925	86	12	6,827	6,948	116	0	6,832
KINGSTON	5,894	84	13	5,797	5,792	80	5	5,707	5,454	72	0	5,382
LAKEVILLE	3,302	74	16	3,212	3,323	70	5	3,248	3,364	65	0	3,298
LANCASTER	1,030	21	9	1,000	1,096	19	0	1,078	1,065	19	0	1,046
LAWRENCE	141,930	1,717	0	140,213	137,168	1,383	0	135,785	126,220	1,387	0	124,834
LEICESTER	11,957	69	0	11,888	12,010	68	0	11,942	10,859	72	0	10,786
LEOMINSTER	37,572	545	0	37,027	37,627	530	0	37,097	37,077	521	0	36,556
LITTLETON	2,896	43	6	2,848	2,848	39	0	2,808	2,614	42	0	2,572
LOWELL	156,088	828	0	155,261	156,853	804	0	156,049	141,966	709	0	141,257
LUNENBURG	4,957	61	3	4,893	5,009	57	0	4,952	4,529	69	0	4,460
MANSFIELD	15,163	356	32	14,775	14,288	347	13	13,928	13,115	304	0	12,811
MARLBOROUGH	15,506	88	44	15,373	15,745	84	0	15,661	14,433	114	0	14,319
MARSHFIELD	16,256	137	364	15,755	16,300	130	439	15,730	14,488	123	512	13,852
MAYNARD	5,066	13	25	5,029	5,138	13	13	5,113	4,805	13	0	4,792
MEDWAY	8,118	102	29	7,986	7,983	89	15	7,879	7,459	92	0	7,366
MERRIMAC	1,234	29	0	1,205	1,250	29	0	1,221	1,244	36	0	1,208
METHUEN	36,924	332	0	36,592	36,867	258	0	36,609	33,786	316	0	33,470
MIDDLEBOROUGH	18,472	145	24	18,303	18,599	137	5	18,457	18,116	128	0	17,988
MILLBURY	7,427	94	0	7,333	7,426	90	0	7,336	7,180	85	0	7,095
MILLIS	4,223	320	139	3,765	4,265	294	170	3,801	3,710	257	200	3,253
NEWBURY	1,442	101	16	1,326	1,488	88	8	1,392	1,496	96	0	1,400
NEWBURYPORT	7,093	124	0	6,968	7,258	118	0	7,140	7,076	156	0	6,921
NORTH ANDOVER	9,773	741	4	9,029	9,658	552	0	9,106	8,922	515	0	8,407
NORTH ATTLEBOROUGH	21,657	961	0	20,696	20,473	885	0	19,588	18,996	826	0	18,170
NORTH READING	6,095	9	216	5,869	6,121	9	261	5,851	5,998	7	306	5,685
NORTHBOROUGH	5,200	88	12	5,100	5,078	83	0	4,996	5,112	79	0	5,033
NORTHBRIDGE	16,105	43	31	16,031	14,111	40	18	14,053	14,502	18	0	14,484
NORTON	14,696	244	21	14,431	13,962	238	8	13,716	13,213	197	0	13,017
NORWELL	3,814	560	160	3,094	3,872	436	195	3,241	3,691	408	228	3,056
PAXTON	583	38	10	536	627	38	5	584	599	34	0	565
PEMBROKE	12,081	90	257	11,734	7,325	86	310	6,928	6,730	82	362	6,286
PLYMOUTH	29,047	382	65	28,600	29,350	365	3	28,982	28,455	355	0	28,100
PLYMPTON	885	24	6	856	884	22	3	859	828	20	0	808
PRINCETON	851	8	7	836	920	8	3	909	861	9	0	852
RAYNHAM	1,763	178	24	1,561	1,703	173	10	1,520	1,712	159	0	1,552
REHOBOTH	1,104	239	14	851	1,148	230	2	917	1,150	222	0	928
ROCHESTER	2,102	48	11	2,043	2,130	45	6	2,079	2,078	41	0	2,037
ROCKLAND	13,296	525	260	12,512	13,383	451	313	12,619	13,364	376	363	12,624
ROCKPORT	3,142	200	0	2,942	3,145	190	0	2,954	3,056	199	0	2,856
ROWLEY	1,055	49	13	993	1,093	43	7	1,043	1,079	53	0	1,026
SALISBURY	756	62	18	676	784	54	9	722	940	71	0	869
SCITUATE	6,916	116	271	6,529	6,811	111	327	6,373	6,636	103	381	6,151
SEEKONK	6,282	237	11	6,034	6,330	231	5	6,094	6,111	222	0	5,888
SHERBORN	954	30	69	854	970	27	84	858	952	28	99	826
SHIRLEY	5,905	17	0	5,888	5,368	18	0	5,350	4,845	21	0	4,824
SHREWSBURY	12,680	184	0	12,496	11,649	177	0	11,472	10,596	180	0	10,416
SOUTHBOROUGH	3,882	57	19	3,806	3,766	53	5	3,708	3,380	66	0	3,315
STERLING	752	28	4	721	773	27	0	747	809	33	0	775
STOUGHTON	13,656	961	0	12,695	13,780	793	0	12,987	13,173	749	0	12,424
STOW	457	30	14	413	474	27	7	440	482	25	0	457
SUDBURY	8,529	11	247	8,270	8,431	11	296	8,123	5,776	13	346	5,417
SUTTON	6,946	38	0	6,908	6,903	37	0	6,865	6,245	34	0	6,211
TAUNTON	49,911	792	0	49,119	48,677	767	0	47,910	47,634	742	0	46,892
TEWKSBURY	16,154	254	0	15,900	16,294	247	0	16,047	16,038	203	0	15,835
TOWNSEND	1,326	13	11	1,302	1,393	12	2	1,379	1,419	12	0	1,408
TYNGSBOROUGH	8,452	14	17	8,422	8,459	13	4	8,442	7,627	14	0	7,613
UPTON	612	13	13	586	677	12	7	657	643	12	0	631
WAREHAM	15,524	622	2	14,900	15,623	601	0	15,022	15,518	551	0	14,968
WAYLAND	5,022	13	205	4,804	5,071	13	248	4,810	4,778	10	290	4,477
WEST BOYLSTON	4,310	28	0	4,282	4,281	50	0	4,231	4,225	38	0	4,187
WEST BRIDGEWATER	3,220	302	11	2,907	3,268	260	4	3,004	3,182	229	0	2,953
WEST NEWBURY	350	1	10	339	361	1	5	354	378	11	0	367
WESTBOROUGH	5,446	103	34	5,308	5,499	101	11	5,386	5,236	101	0	5,135
WESTFORD	16,274	72	36	16,167	16,071	65	12	15,994	13,164	58	0	13,106
WESTMINSTER	795	35	0	760	868	34	0	835	832	34	0	798
WHITMAN	2,442	52	27	2,363	2,504	48	11	2,444	2,427	47	0	2,380
WORCESTER	220,381	2,042	0	218,339	211,862	1,989	0	209,874	200,086	1,834	0	198,252
WRENTHAM	5,044	111	25	4,908	5,157	94	13	5,050	5,123	96	0	5,027

Municipality	FY2000				FY1999				FY1998			
	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
<b>FOURTEEN CITIES AND TOWNS</b>												
ARLINGTON	16,969	112	2,825	14,032	16,006	118	2,779	13,108	14,356	666	2,246	11,444
BELMONT	7,234	110	1,422	5,702	6,569	106	1,425	5,038	9,856	477	1,117	8,283
BOSTON	532,599	1,675	61,978	468,947	511,069	1,722	60,253	449,094	471,570	19,574	40,841	411,156
BROOKLINE	15,162	475	5,074	9,613	13,715	453	5,065	8,197	12,435	1,650	3,833	6,953
CAMBRIDGE	44,010	310	6,781	36,919	42,311	324	6,885	35,103	38,271	1,951	5,301	31,020
CHELSEA	55,371	282	1,470	53,619	52,001	288	1,425	50,288	48,364	652	1,051	46,660
EVERETT	23,855	793	2,137	20,925	20,727	793	2,053	17,882	18,044	1,160	1,656	15,228
MALDEN	42,949	116	3,375	39,458	35,808	120	3,230	32,458	29,949	1,056	2,275	26,617
MEDFORD	27,528	1,173	3,872	22,483	26,080	1,057	3,752	21,270	25,092	1,937	2,833	20,322
MILTON	7,594	825	1,448	5,321	6,784	751	1,411	4,622	6,241	1,060	1,062	4,119
NEWTON	19,030	334	4,955	13,741	16,024	345	4,734	10,944	14,511	1,634	3,340	9,537
REVERE	34,890	919	3,123	30,849	33,545	782	2,941	29,822	29,845	1,585	2,067	26,193
SOMERVILLE	59,927	141	4,860	54,926	56,604	150	4,732	51,722	52,721	1,298	3,545	47,878
WATERTOWN	12,405	688	2,094	9,622	11,855	639	2,046	9,170	10,311	1,269	1,418	7,624
<b>FIFTY-ONE CITIES AND TOWNS</b>												
BEDFORD	3,813	53	340	3,420	3,362	44	331	2,986	3,053	152	215	2,686
BEVERLY	15,088	63	951	14,073	12,532	147	931	11,454	11,735	561	586	10,587
BRAINTREE	12,391	1,134	1,043	10,214	11,374	999	1,051	9,325	10,601	1,217	751	8,633
BURLINGTON	7,171	72	736	6,363	6,503	72	789	5,662	5,799	326	484	4,990
CANTON	5,238	204	526	4,509	4,701	199	515	3,988	4,259	415	265	3,579
COHASSET	2,478	385	162	1,931	1,752	343	162	1,246	1,603	371	97	1,135
CONCORD	3,984	67	373	3,544	3,548	67	367	3,115	3,245	204	222	2,820
DANVERS	7,885	54	616	7,216	7,133	123	606	6,403	5,995	404	411	5,180
DEDHAM	7,446	652	744	6,051	6,892	607	733	5,552	6,391	790	517	5,084
DOVER	598	111	120	367	449	107	118	224	383	143	73	167
FRAMINGHAM	22,727	159	1,593	20,976	19,537	155	1,516	17,866	18,132	752	849	16,530
HAMILTON	771	4	181	586	704	27	175	501	658	109	116	433
HINGHAM	5,753	785	522	4,446	4,851	724	536	3,591	4,391	808	347	3,237
HOLBROOK	5,965	351	323	5,291	5,588	340	338	4,880	5,343	382	255	4,706
HULL	7,157	44	264	6,849	6,849	40	282	6,527	6,279	164	147	5,969
LEXINGTON	8,505	124	853	7,528	7,520	133	846	6,541	6,920	359	589	5,972
LINCOLN	2,648	27	209	2,412	2,441	27	208	2,207	2,352	86	140	2,126
LYNN	112,544	173	2,317	110,053	107,712	273	2,094	105,344	97,371	992	1,447	94,931
LYNNFIELD	3,166	433	291	2,441	2,826	445	282	2,100	2,592	574	178	1,840
MANCHESTER	973	4	134	836	826	36	127	664	738	129	72	536
MARBLEHEAD	3,768	18	571	3,178	3,241	100	543	2,598	2,877	359	379	2,139
MEDFIELD	4,744	125	258	4,361	3,932	119	254	3,559	3,611	224	135	3,253
MELROSE	12,367	78	902	11,388	11,569	85	903	10,582	11,024	293	669	10,062
MIDDLETON	1,771	3	125	1,643	1,295	24	120	1,151	889	106	62	721
NAHANT	866	6	157	704	771	17	145	610	706	71	110	524
NATICK	10,135	131	846	9,158	9,308	128	804	8,376	7,998	456	445	7,098
NEEDHAM	7,010	327	726	5,957	6,212	326	705	5,181	5,697	534	464	4,700
NORFOLK	4,246	78	235	3,933	3,719	77	226	3,417	3,349	213	73	3,062
NORWOOD	9,707	222	857	8,629	8,977	231	811	7,935	8,418	451	549	7,419
PEABODY	22,887	1,074	1,124	20,690	21,464	1,073	1,086	19,305	18,924	1,453	728	16,742
QUINCY	39,856	497	3,639	35,720	37,076	508	3,730	32,837	34,867	1,697	2,470	30,700
RANDOLPH	16,292	669	943	14,680	15,252	631	938	13,683	13,576	914	575	12,087
READING	10,805	57	638	10,111	9,969	62	635	9,273	8,164	253	408	7,504
SALEM	22,534	815	1,049	20,670	21,341	839	994	19,508	19,173	1,146	628	17,399
SAUGUS	8,357	664	908	6,786	7,575	637	825	6,113	7,102	874	572	5,656
SHARON	7,054	157	449	6,449	5,546	153	437	4,955	5,109	331	233	4,545
STONEHAM	7,468	365	549	6,554	6,834	346	543	5,946	6,471	526	353	5,592
SWAMPSCOTT	3,550	20	483	3,047	3,417	59	437	2,921	3,046	237	301	2,508
TOPSFIELD	1,357	3	143	1,211	1,225	24	141	1,060	1,090	103	81	906
WAKEFIELD	8,580	74	721	7,784	7,849	75	719	7,055	7,309	283	483	6,543
WALPOLE	8,223	194	581	7,447	7,482	188	550	6,744	7,009	421	287	6,302
WALTHAM	19,554	176	1,486	17,893	18,174	182	1,417	16,575	17,125	611	924	15,589
WELLESLEY	6,276	383	589	5,304	5,656	374	585	4,696	5,086	547	402	4,137
WENHAM	534	2	91	441	495	16	85	395	469	61	59	349
WESTON	2,709	63	234	2,412	2,417	58	226	2,133	2,232	112	167	1,953
WESTWOOD	3,134	181	352	2,601	2,896	162	338	2,395	2,630	236	246	2,148
WEYMOUTH	28,886	1,460	1,622	25,804	26,789	1,294	1,608	23,887	24,784	1,719	1,089	21,977
WILMINGTON	6,362	110	430	5,821	5,650	90	430	5,130	5,261	241	252	4,768
WINCHESTER	4,802	82	577	4,142	4,226	81	585	3,560	3,831	220	423	3,188
WINTHROP	10,002	321	544	9,138	9,518	291	536	8,691	8,756	389	439	7,927
WOBURN	12,393	806	980	10,607	11,422	755	1,001	9,665	10,711	995	714	9,001
<b>OTHER SERVED COMMUNITIES</b>												
ABINGTON	8,055	58	0	7,998	7,503	53	0	7,450	7,124	49	0	7,075
ACTON	3,643	74	0	3,569	3,101	73	0	3,028	2,735	73	0	2,662
AMESBURY	13,041	393	0	12,648	11,881	386	0	11,495	9,950	430	0	9,520
ANDOVER	9,474	950	0	8,524	8,508	929	0	7,579	7,794	1,003	0	6,791
ASHBURNHAM	767	17	0	750	694	16	0	677	627	23	0	604
ASHBY	455	5	0	451	413	5	0	407	376	6	0	370
ASHLAND	4,497	52	339	4,105	3,906	52	331	3,522	2,771	218	147	2,405
ATTLEBORO	31,242	535	0	30,707	29,375	518	0	28,857	26,353	508	0	25,845
AUBURN	5,613	87	0	5,526	5,094	79	0	5,015	4,704	80	0	4,624
AYER	5,056	42	0	5,014	4,827	41	0	4,786	4,709	39	0	4,670
BELLINGHAM	9,781	120	0	9,661	9,220	116	0	9,104	8,404	116	0	8,288
BERKLEY	4,828	69	0	4,760	4,545	67	0	4,478	3,734	69	0	3,665
BILLERICA	20,941	676	0	20,266	19,632	575	0	19,057	18,232	575	0	17,657
BOXBOROUGH	1,920	28	0	1,892	945	26	0	919	460	26	0	434
BOXFORD	2,415	3	0	2,412	1,878	31	0	1,847	1,697	69	0	1,628
BRIDGEWATER	4,679	200	0	4,480	4,289	169	0	4,120	3,974	197	0	3,777
BROCKTON	119,294	1,807	0	117,487	109,317	1,803	0	107,514	100,925	1,749	0	99,176
CARLISLE	1,485	18	0	1,467	1,346	18	0	1,329	1,249	18	0	1,232
CARVER	11,182	83	0	11,099	10,606	76	0	10,530	9,433	71	0	9,362
CHELMSFORD	13,716	280	0	13,436	12,466	265	0	12,201	11,309	259	0	11,050
DRACUT	16,962	99	0	16,863	16,030	104	0	15,925	14,385	106	0	14,279
DUXBURY	3,739	102	308	3,329	3,214	94	296	2,824	2,862	265	110	2,487
EAST BRIDGEWATER	10,502	68	0	10,434	9,923	64	0	9,859	8,924	52	0	8,873

Municipality	FY2000			FY1999				FY1998				
	Total Local Aid	All Other Assessments	Net Local Assessment Aid	Total Local Aid	All Other Assessments	Net Local Assessment Aid	Total Local Aid	All Other Assessments	Net Local Assessment Aid			
EASTON	9,705	285	0	9,420	9,011	264	0	8,747	7,161	255	0	6,906
ESSEX	1,031	4	0	1,027	953	16	0	938	772	32	0	740
FITCHBURG	43,325	523	0	42,803	37,701	493	0	37,208	33,968	482	0	33,487
FOXBOROUGH	8,066	137	0	7,929	7,318	132	0	7,185	6,714	126	0	6,588
FRANKLIN	20,620	555	0	20,065	17,360	458	0	16,901	14,465	434	0	14,031
FREETOWN	2,102	113	0	1,989	1,844	110	0	1,734	1,870	112	0	1,758
GEORGETOWN	4,990	29	0	4,961	3,272	43	0	3,229	2,811	64	0	2,748
GLOUCESTER	12,540	1,032	0	11,508	11,513	991	0	10,522	10,033	1,009	0	9,025
GRAFTON	6,749	28	0	6,721	5,852	27	0	5,825	5,196	26	0	5,169
GROTON	784	34	0	750	709	34	0	675	641	27	0	615
GROVELAND	1,003	21	0	982	940	29	0	912	890	44	0	846
HALIFAX	3,643	32	0	3,611	3,447	30	0	3,417	3,146	28	0	3,118
HANOVER	6,106	70	290	5,746	5,741	67	282	5,392	5,130	176	157	4,797
HANSON	1,384	40	0	1,344	1,522	38	0	1,484	1,436	36	0	1,400
HARVARD	3,960	84	0	3,876	3,657	88	0	3,570	3,435	91	0	3,344
HAVERHILL	47,100	392	0	46,708	43,776	483	0	43,293	40,617	561	0	40,055
HOLDEN	2,258	88	0	2,170	1,954	83	0	1,872	1,789	92	0	1,697
HOLLISTON	8,358	63	0	8,295	6,738	64	0	6,674	6,148	58	0	6,090
HOPKINTON	4,803	32	0	4,771	3,411	32	0	3,379	3,182	34	0	3,149
IPSWICH	4,493	78	0	4,415	4,052	102	0	3,950	3,782	150	0	3,632
KINGSTON	3,629	68	0	3,560	3,252	59	0	3,193	2,881	65	0	2,816
LAKEVILLE	3,172	63	0	3,109	3,062	58	0	3,004	2,434	67	0	2,368
LANCASTER	987	18	0	969	892	18	0	874	816	18	0	797
LAWRENCE	121,079	1,296	0	119,783	110,464	1,177	0	109,287	100,507	1,251	0	99,256
LEICESTER	10,443	68	0	10,374	9,415	60	0	9,355	8,003	67	0	7,936
LEOMINSTER	35,283	513	0	34,770	30,958	479	0	30,479	27,397	460	0	26,938
LITTLETON	2,021	62	0	1,959	1,760	51	0	1,709	1,593	59	0	1,533
LOWELL	135,484	802	0	134,682	130,287	811	0	129,476	119,936	804	0	119,132
LUNENBURG	4,182	69	0	4,113	3,839	68	0	3,771	3,701	66	0	3,635
MANSFIELD	12,211	298	0	11,913	10,521	290	0	10,231	8,553	278	0	8,275
MARLBOROUGH	13,339	175	0	13,164	10,735	166	0	10,569	9,628	166	0	9,462
MARSHFIELD	13,568	125	518	12,925	12,580	113	508	11,960	10,584	356	236	9,992
MAYNARD	4,424	30	0	4,394	4,203	28	0	4,175	3,745	-107	142	3,709
MEDWAY	6,902	90	0	6,812	6,248	86	0	6,162	5,221	83	0	5,138
MERRIMAC	1,186	27	0	1,159	1,122	31	0	1,091	1,070	26	0	1,045
METHUEN	31,655	251	0	31,404	29,197	316	0	28,880	27,019	481	0	26,537
MIDDLEBOROUGH	16,372	125	0	16,246	16,162	111	0	16,052	15,207	107	0	15,100
MILLBURY	6,748	60	0	6,688	6,268	52	0	6,217	5,840	55	0	5,785
MILLIS	3,457	205	203	3,049	3,063	159	197	2,706	2,854	271	87	2,496
NEWBURY	1,444	78	0	1,365	1,386	87	0	1,299	1,340	106	0	1,235
NEWBURYPORT	6,574	108	0	6,466	6,163	169	0	5,994	5,840	182	0	5,658
NORTH ANDOVER	7,627	388	0	7,239	6,842	401	0	6,441	5,241	490	0	4,751
NORTH ATTLEBOROUGH	17,956	799	0	17,157	15,707	714	0	14,993	13,953	653	0	13,300
NORTH READING	5,331	34	310	4,988	4,912	34	303	4,576	4,348	125	198	4,025
NORTHBOROUGH	4,254	81	0	4,173	3,251	73	0	3,178	2,955	62	0	2,893
NORTHBRIDGE	13,328	17	0	13,311	12,066	18	0	12,048	11,208	19	0	11,189
NORTON	12,202	195	0	12,008	10,143	183	0	9,960	8,851	179	0	8,672
NORWELL	3,293	326	230	2,736	2,982	253	226	2,504	2,762	336	135	2,291
PAXTON	546	40	0	505	482	34	0	448	434	34	0	399
PEMBROKE	6,259	79	365	5,815	5,873	74	360	5,440	5,422	228	188	5,005
PLYMOUTH	25,040	360	0	24,680	23,445	295	0	23,150	21,231	274	0	20,957
PLYMPTON	761	19	0	742	744	18	0	725	710	17	0	693
PRINCETON	849	8	0	841	798	8	0	790	765	8	0	757
RAYNHAM	1,652	157	0	1,495	1,545	148	0	1,397	1,418	144	0	1,274
REHOBOTH	1,066	216	0	849	970	206	0	764	897	203	0	694
ROCHESTER	1,829	39	0	1,790	1,519	36	0	1,483	1,444	33	0	1,411
ROCKLAND	12,613	354	367	11,891	11,594	345	360	10,889	10,616	453	226	9,937
ROCKPORT	2,852	171	0	2,681	2,533	170	0	2,363	2,321	202	0	2,119
ROWLEY	1,033	38	0	994	980	14	0	966	936	31	0	906
SALISBURY	842	54	0	788	749	60	0	690	672	85	0	587
SCITUATE	5,856	100	386	5,369	5,285	94	381	4,810	4,944	211	242	4,492
SEEKONK	5,688	220	0	5,469	4,338	216	0	4,122	3,997	210	0	3,788
SHERBORN	590	44	100	446	509	41	99	370	460	99	55	307
SHIRLEY	4,625	27	0	4,597	4,286	23	0	4,263	3,865	22	0	3,844
SHREWSBURY	9,596	178	0	9,418	8,694	154	0	8,539	7,851	164	0	7,686
SOUTHBOROUGH	2,560	67	0	2,493	1,154	54	0	1,100	1,008	52	0	957
STERLING	749	33	0	716	678	31	0	647	621	30	0	591
STOUGHTON	12,157	713	0	11,444	11,290	663	0	10,627	10,285	686	0	9,599
STOW	447	38	0	409	403	38	0	365	369	37	0	332
SUDBURY	5,169	56	350	4,763	4,420	56	346	4,019	3,519	180	205	3,134
SUTTON	4,466	34	0	4,432	4,144	33	0	4,111	3,414	36	0	3,378
TAUNTON	45,231	733	0	44,498	40,283	702	0	39,580	36,346	699	0	35,647
TEWKSBURY	14,121	246	0	13,874	12,296	242	0	12,054	11,386	230	0	11,156
TOWNSEND	1,291	23	0	1,268	1,139	23	0	1,116	1,032	23	0	1,009
TYNGBOROUGH	7,080	26	0	7,054	6,307	25	0	6,281	5,702	25	0	5,677
UPTON	595	12	0	583	541	12	0	529	500	13	0	487
WAREHAM	14,666	517	0	14,149	13,393	429	0	12,964	12,472	400	0	12,072
WAYLAND	4,188	47	294	3,847	3,667	50	289	3,327	3,366	113	209	3,043
WEST BOYLSTON	3,704	36	0	3,668	2,770	36	0	2,734	2,447	21	0	2,426
WEST BRIDGEWATER	2,945	210	0	2,735	2,737	191	0	2,546	2,578	182	0	2,396
WEST NEWBURY	354	1	0	353	324	14	0	311	502	30	0	472
WESTBOROUGH	4,571	89	0	4,481	3,983	84	0	3,899	2,925	77	0	2,848
WESTFORD	10,127	105	0	10,023	7,597	105	0	7,491	6,121	96	0	6,025
WESTMINSTER	790	33	0	757	700	29	0	671	640	27	0	613
WHITMAN	2,240	43	0	2,197	2,030	40	0	1,989	1,875	46	0	1,830
WORCESTER	189,197	1,786	0	187,411	172,805	1,821	0	170,983	162,771	1,653	0	161,118
WRENTHAM	4,776	95	0	4,682	4,205	84	0	4,120	3,983	81	0	3,902

Municipality	FY1990				FY1985			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
<b><u>FOURTEEN CITIES AND TOWNS</u></b>								
ARLINGTON	14,366	84	2,370	11,912	11,791	2,247	2,273	7,271
BELMONT	5,166	132	1,241	3,794	3,962	1,555	1,134	1,274
BOSTON	462,970	2,413	47,570	412,987	354,242	7,544	42,103	304,595
BROOKLINE	11,389	383	4,083	6,923	10,627	3,013	3,883	3,730
CAMBRIDGE	41,233	230	5,551	35,452	35,358	3,759	5,270	26,328
CHELSEA	20,985	592	1,092	19,301	13,661	837	1,059	11,765
EVERETT	11,665	473	1,641	9,551	8,080	2,622	1,671	3,787
MALDEN	27,532	137	2,526	24,869	20,059	1,970	2,285	15,804
MEDFORD	24,473	1,005	2,929	20,539	16,301	2,870	2,851	10,581
MILTON	4,921	476	1,128	3,317	3,898	1,371	1,080	1,447
NEWTON	12,079	299	3,730	8,050	13,708	5,447	3,391	4,870
REVERE	20,991	686	2,440	17,865	17,525	1,445	2,090	13,990
SOMERVILLE	51,244	190	3,690	47,365	36,906	2,817	3,583	30,506
WATERTOWN	10,074	462	1,625	7,987	8,897	1,826	1,437	5,633
<b><u>FIFTY-ONE CITIES AND TOWNS</u></b>								
BEDFORD	2,463	44	276	2,144	2,383	525	222	1,636
BEVERLY	10,806	346	755	9,704	7,947	858	606	6,484
BRAINTREE	9,931	646	897	8,388	8,460	1,644	768	6,049
BURLINGTON	5,670	97	643	4,929	6,171	904	493	4,774
CANTON	3,881	150	414	3,317	4,085	896	285	2,903
COHASSET	1,467	183	139	1,145	1,513	212	101	1,200
CONCORD	2,633	46	301	2,287	2,895	484	230	2,181
DANVERS	5,576	296	487	4,792	4,914	615	427	3,872
DEDHAM	5,966	411	647	4,908	5,175	1,064	537	3,574
DOVER	297	55	106	136	531	287	77	167
FRAMINGHAM	15,636	140	1,149	14,347	12,747	1,972	887	9,888
HAMILTON	652	80	157	414	683	203	119	361
HINGHAM	3,430	353	484	2,592	3,866	957	356	2,554
HOLBROOK	4,731	190	296	4,246	3,791	246	262	3,282
HULL	4,688	61	219	4,407	4,274	225	154	3,896
LEXINGTON	5,239	96	746	4,397	5,316	1,700	610	3,005
LINCOLN	1,426	14	165	1,247	1,231	206	146	879
LYNN	52,323	995	1,483	49,845	36,841	1,573	1,477	33,791
LYNNFIELD	2,115	311	251	1,552	2,177	389	187	1,601
MANCHESTER	544	101	99	344	786	229	75	481
MARBLEHEAD	2,306	314	456	1,536	2,739	843	393	1,502
MEDFIELD	2,645	72	211	2,362	2,835	180	141	2,514
MELROSE	11,161	107	772	10,283	8,670	1,347	690	6,633
MIDDLETON	626	63	96	467	683	120	65	499
NAHANT	660	48	125	487	533	183	113	236
NATICK	7,510	92	608	6,810	6,655	904	468	5,283
NEEDHAM	3,732	267	621	2,844	4,407	1,487	483	2,437
NORFOLK	1,386	42	140	1,204	1,171	102	77	991
NORWOOD	8,427	180	690	7,557	6,288	1,218	573	4,497
PEABODY	16,946	932	892	15,122	13,595	1,101	762	11,732
QUINCY	35,451	487	3,056	31,909	29,549	3,605	2,560	23,384
RANDOLPH	10,457	317	720	9,421	8,775	723	593	7,458
READING	6,118	52	558	5,508	4,952	682	425	3,846
SALEM	13,496	713	730	12,053	10,633	933	649	9,051
SAUGUS	6,540	451	632	5,457	5,718	1,156	587	3,975
SHARON	3,778	92	328	3,359	3,626	255	248	3,123
STONEHAM	6,219	227	446	5,546	5,106	1,144	370	3,592
SWAMPSCOTT	2,569	157	385	2,027	2,539	554	314	1,671
TOPSFIELD	932	68	119	745	977	185	85	707
WAKEFIELD	6,661	60	588	6,013	5,038	1,186	500	3,352
WALPOLE	5,159	117	404	4,638	4,655	498	302	3,855
WALTHAM	16,405	205	1,059	15,140	12,419	3,306	949	8,165
WELLESLEY	3,706	318	479	2,910	4,780	1,498	417	2,864
WENHAM	483	36	70	377	459	82	62	315
WESTON	1,748	45	230	1,474	2,377	776	176	1,425
WESTWOOD	1,990	105	329	1,555	2,447	671	258	1,518
WEYMOUTH	21,675	779	1,380	19,515	17,019	1,823	1,127	14,069
WILMINGTON	5,349	51	356	4,942	4,324	530	262	3,532
WINCHESTER	3,134	74	492	2,568	3,984	1,177	439	2,369
WINTHROP	8,306	249	521	7,536	6,261	725	440	5,096
WOBURN	10,290	311	811	9,168	8,303	1,458	736	6,109
<b><u>OTHER SERVED COMMUNITIES</u></b>								
ABINGTON	5,597	25	0	5,572	4,089	173	0	3,916
ACTON	2,158	49	0	2,110	2,330	437	0	1,893
AMESBURY	6,618	293	0	6,325	4,836	289	0	4,547
ANDOVER	4,934	749	0	4,185	5,345	999	0	4,346
ASHBURNHAM	468	10	0	458	789	91	0	698
ASHBY	221	2	0	219	171	29	0	142
ASHLAND	2,055	27	257	1,771	2,016	263	154	1,599
ATTLEBORO	15,310	402	0	14,908	10,382	703	0	9,679
AUBURN	4,195	68	0	4,127	3,404	412	0	2,992
AYER	4,210	25	0	4,185	3,235	127	0	3,108
BELLINGHAM	6,649	70	0	6,579	5,012	170	0	4,842
BERKLEY	1,732	31	0	1,701	785	60	0	725
BILLERICA	13,540	357	0	13,183	10,709	730	0	9,979
BOXBOROUGH	284	11	0	273	360	81	0	278
BOXFORD	892	86	0	806	747	196	0	551
BRIDGEWATER	5,817	132	0	5,685	4,362	267	0	4,094
BROCKTON	58,748	1,742	0	57,006	42,261	2,248	0	40,014
CARLISLE	968	9	0	959	596	115	0	481
CARVER	2,725	29	0	2,696	1,689	122	0	1,567
CHELMSFORD	8,983	185	0	8,798	8,122	631	0	7,491
DRACUT	8,058	67	0	7,990	6,376	315	0	6,061
DUXBURY	2,707	66	223	2,418	2,937	336	114	2,487
EAST BRIDGEWATER	4,409	29	0	4,380	3,147	154	0	2,993

Municipality	FY1990			FY1985				
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
EASTON	5,282	230	0	5,052	4,349	364	0	3,985
ESSEX	532	39	0	493	535	74	0	461
FITCHBURG	21,060	448	0	20,612	13,598	730	0	12,868
FOXBOROUGH	4,251	73	0	4,178	3,892	259	0	3,632
FRANKLIN	6,806	277	0	6,529	5,492	309	0	5,183
FREETOWN	1,557	70	0	1,486	1,006	179	0	827
GEORGETOWN	1,965	62	0	1,903	1,661	126	0	1,535
GLOUCESTER	7,779	897	0	6,883	6,554	934	0	5,620
GRAFTON	3,452	31	0	3,421	2,996	249	0	2,747
GROTON	782	22	0	760	662	161	0	500
GROVELAND	1,187	39	0	1,148	927	92	0	835
HALIFAX	1,798	10	0	1,787	1,146	73	0	1,073
HANOVER	4,371	27	213	4,130	3,589	217	164	3,209
HANSON	3,261	28	0	3,233	2,320	132	0	2,188
HARVARD	3,014	27	0	2,987	2,403	196	0	2,207
HAVERHILL	21,882	663	0	21,219	16,410	918	0	15,492
HOLDEN	3,168	60	0	3,108	2,294	385	0	1,909
HOLLISTON	4,071	31	0	4,039	3,664	241	0	3,423
HOPKINTON	1,584	16	0	1,568	1,519	110	0	1,409
IPSWICH	3,041	132	0	2,909	2,716	280	0	2,436
KINGSTON	1,461	25	0	1,437	1,064	128	0	935
LAKEVILLE	1,647	27	0	1,620	780	125	0	655
LANCASTER	1,961	12	0	1,949	1,466	147	0	1,320
LAWRENCE	52,902	960	0	51,941	31,464	1,200	0	30,264
LEICESTER	4,989	63	0	4,927	3,500	202	0	3,298
LEOMINSTER	14,670	308	0	14,362	9,932	791	0	9,141
LITTLETON	1,270	53	0	1,217	1,277	161	0	1,116
LOWELL	57,298	688	0	56,610	38,701	1,481	0	37,220
LUNENBURG	2,795	9	0	2,787	2,313	214	0	2,099
MANSFIELD	3,743	200	0	3,543	2,934	433	0	2,502
MARLBOROUGH	9,328	113	0	9,215	7,860	524	0	7,336
MARSHFIELD	6,744	57	421	6,266	5,321	408	246	4,668
MAYNARD	3,520	19	0	3,501	2,456	174	0	2,282
MEDWAY	2,938	47	0	2,891	2,668	157	0	2,511
MERRIMAC	1,456	28	0	1,428	1,042	61	0	981
METHUEN	12,463	475	0	11,988	8,333	763	0	7,570
MIDDLEBOROUGH	8,187	40	0	8,148	5,095	262	0	4,833
MILLBURY	4,879	45	0	4,834	4,148	247	0	3,901
MILLIS	2,014	95	159	1,760	1,750	120	91	1,539
NEWBURY	769	60	0	709	717	140	0	577
NEWBURYPORT	5,607	220	0	5,387	3,961	335	0	3,626
NORTH ANDOVER	3,820	368	0	3,452	3,489	577	0	2,912
NORTH ATTLEBOROUGH	8,327	380	0	7,946	5,638	477	0	5,161
NORTH READING	3,196	44	251	2,901	3,025	230	207	2,588
NORTHBOROUGH	2,222	42	0	2,180	2,040	325	0	1,715
NORTHBRIDGE	6,517	15	0	6,502	4,166	225	0	3,941
NORTON	5,718	130	0	5,588	4,642	233	0	4,408
NORWELL	2,352	139	209	2,004	2,557	252	141	2,164
PAXTON	685	30	0	655	621	97	0	524
PEMBROKE	3,186	45	296	2,845	2,681	243	197	2,241
PLYMOUTH	4,555	161	0	4,394	4,989	931	0	4,059
PLYMPTON	416	8	0	408	276	41	0	234
PRINCETON	529	1	0	527	501	68	0	433
RAYNHAM	2,993	93	0	2,900	2,071	200	0	1,872
REHOBOTH	575	130	0	445	1,477	228	0	1,249
ROCHESTER	1,124	8	0	1,116	470	70	0	401
ROCKLAND	7,983	191	290	7,502	6,387	274	236	5,876
ROCKPORT	1,721	210	0	1,510	764	294	0	471
ROWLEY	1,249	36	0	1,213	640	96	0	544
SALISBURY	1,411	94	0	1,317	1,092	162	0	930
SCITUATE	4,154	56	332	3,766	4,450	399	253	3,799
SEEKONK	3,268	142	0	3,126	2,390	358	0	2,032
SHERBORN	409	25	92	292	547	152	57	338
SHIRLEY	2,465	8	0	2,458	2,130	69	0	2,061
SHREWSBURY	5,463	94	0	5,370	4,463	679	0	3,784
SOUTHBOROUGH	762	15	0	747	1,064	249	0	815
STERLING	1,088	15	0	1,073	1,050	138	0	911
STOUGHTON	8,707	341	0	8,366	6,264	664	0	5,600
STOW	738	14	0	724	798	124	0	673
SUDBURY	2,837	28	288	2,520	3,003	357	214	2,431
SUTTON	3,060	9	0	3,051	1,546	152	0	1,394
TAUNTON	25,635	715	0	24,920	17,312	776	0	16,536
TEWKSBURY	8,653	134	0	8,519	7,177	380	0	6,798
TOWNSEND	799	19	0	780	534	119	0	416
TYNGSBOROUGH	2,135	25	0	2,110	1,491	102	0	1,388
UPTON	492	2	0	490	426	91	0	336
WAREHAM	6,098	220	0	5,878	3,517	390	0	3,127
WAYLAND	2,600	26	284	2,290	2,930	346	220	2,364
WEST BOYLSTON	1,464	15	0	1,449	1,315	186	0	1,129
WEST BRIDGEWATER	2,019	96	0	1,923	1,725	154	0	1,571
WEST NEWBURY	731	32	0	699	507	65	0	441
WESTBOROUGH	2,091	32	0	2,059	2,594	468	0	2,125
WESTFORD	3,924	56	0	3,867	3,671	269	0	3,402
WESTMINSTER	479	9	0	470	759	142	0	617
WHITMAN	4,975	32	0	4,943	3,590	178	0	3,412
WORCESTER	101,080	1,270	0	99,810	76,577	3,166	0	73,411
WRENTHAM	1,951	41	0	1,910	1,355	112	0	1,243

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**APPENDIX F**

**History of Dedicated Sales Tax Receipts**

(Fiscal Year Basis)

		<u>Sales Tax</u>			<u>Sales Tax</u>	
<b>FY 2001</b>	July 2000	\$58,864,609.93		<b>FY 2005</b>	July 2004	\$59,152,487.60
	August 2000	51,598,902.68			August 2004	56,531,955.68
	September 2000	53,047,132.99			September 2004	52,686,964.50
	October 2000	58,257,056.21			First Quarter MOU Payment	10/29/2004 7,830,820.97
	November 2000	47,241,054.05			October 2004	56,320,495.47
	December 2000	50,746,166.04			November 2004	52,385,319.17
	January 2001	68,281,720.03			December 2004	53,600,426.11
	February 2001	47,862,483.14			Second Quarter MOU Payment	1/28/2005 13,895,988.00
	March 2001	52,638,613.24			January 2005	66,116,787.81
	April 2001	48,626,223.33			February 2005	47,835,510.40
	April 2002	53,608,485.11			March 2005	48,509,458.04
	April 2003	63,818,320.89			Third Quarter MOU Payment	4/29/2005 13,740,473.53
					April 2005	55,428,402.46
					May 2005	57,276,986.25
					June 2005	60,350,753.74
					Fourth Quarter MOU Payment	7/29/2005 3,146,085.27
<b>FY 2002</b>	July 2001	56,740,477.12		<b>FY 2006</b>	July 2005	63,706,766.98
	August 2001	56,793,427.86			August 2005	60,021,625.04
	September 2001	45,910,181.24			September 2005	54,730,482.84
	First Quarter MOU Payment	10/31/2001 6,643,413.78			First Quarter MOU Payment	n/a -
	October 2001	60,159,739.28			October 2005	56,219,658.23
	November 2001	51,718,117.35			November 2005	54,655,984.67
	December 2001	46,540,029.65			December 2005	54,750,007.59
	Second Quarter MOU Payment	1/30/2002 7,669,613.72			Second Quarter MOU Payment	1/30/2006 12,208,342.50
	January 2002	69,042,536.25			January 2006	67,603,286.89
	February 2002	40,598,823.38			February 2006	50,440,625.43
	March 2002	50,570,181.60			March 2006	50,357,687.98
	Third Quarter MOU Payment	4/30/2002 5,875,958.77			Third Quarter MOU Payment	4/28/2006 9,744,835.75
	April 2002	54,293,860.57			April 2006	57,501,884.78
	May 2002	53,588,358.95			May 2006	55,647,976.97
	June 2002	52,833,594.53			June 2006	58,411,033.26
	Fourth Quarter MOU Payment	7/30/2002 5,371,685.95			Fourth Quarter MOU Payment	7/28/2006 6,585,540.09
<b>FY 2003</b>	July 2002	57,498,881.00		<b>FY 2007</b>	July 2006	61,508,085.83
	August 2002	54,046,526.32			August 2006	58,230,191.82
	September 2002	51,382,636.91			September 2006	55,383,595.47
	First Quarter MOU Payment	10/30/2002 8,142,080.77			First Quarter MOU Payment	10/30/2006 8,368,954.63
	October 2002	55,105,094.19			October 2006	60,725,874.12
	November 2002	48,652,365.92			November 2006	54,496,233.19
	December 2002	53,939,508.59			December 2006	55,357,389.61
	Second Quarter MOU Payment	1/30/2003 13,373,156.30			Second Quarter MOU Payment	1/30/2007 12,911,330.83
	January 2003	65,812,935.67			January 2007	69,881,393.62
	February 2003	43,426,930.49			February 2007	54,255,592.49
	March 2003	47,566,254.55			March 2007	49,488,669.55
	Third Quarter MOU Payment	4/30/2003 14,264,004.29			Third Quarter MOU Payment	4/30/2007 9,865,172.09
	April 2003	52,185,573.20			April 2007	55,805,024.25
	May 2003	52,880,284.27			May 2007	57,150,132.76
	June 2003	56,704,746.56			June 2007	59,494,727.83
	Fourth Quarter MOU Payment	7/30/2009 9,299,520.97			Fourth Quarter MOU Payment	7/31/2007 11,040,944.00
<b>FY 2004</b>	July 2003	58,091,671.15		<b>FY 2008</b>	July 2007	64,677,209.96
	August 2003	53,364,460.09			August 2007	57,068,427.82
	September 2003	52,904,470.37			September 2007	56,892,519.45
	First Quarter MOU Payment	10/30/2003 6,709,523.00			First Quarter MOU Payment	10/30/2007 10,357,395.27
	October 2003	56,942,704.65			October 2007	59,835,957.10
	November 2003	48,731,253.66			November 2007	55,645,342.69
	December 2003	53,499,963.33			December 2007	55,496,053.53
	Second Quarter MOU Payment	1/30/2004 11,896,214.00			Second Quarter MOU Payment	1/31/2008 18,018,199.18
	January 2004	58,026,446.59			January 2008	68,571,803.70
	February 2004	46,167,642.97			February 2008	51,321,517.46
	March 2004	48,664,540.82			March 2008	50,425,467.85
	Third Quarter MOU Payment	4/30/2004 18,211,494.00			Third Quarter MOU Payment	4/30/2008 18,676,763.49
	April 2004	53,191,662.52			April 2008	57,170,276.41
	May 2004	54,570,000.42			May 2008	55,370,711.29
	June 2004	58,073,409.76			June 2008	58,279,393.53
	Fourth Quarter MOU Payment	7/30/2004 5,235,042.67			Fourth Quarter MOU Payment	7/31/2008 18,175,171.27

**APPENDIX F**

**History of Dedicated Sales Tax Receipts**

(Fiscal Year Basis)

		<u>Sales Tax</u>			<u>Sales Tax</u>		
<b>FY 2009</b>	July 2008	\$60,706,166.06	<b>FY 2012</b>	July 2011	\$59,646,374.97		
	August 2008	56,907,139.70		August 2011	54,110,947.96		
	September 2008	54,758,493.55		September 2011	52,414,328.89		
	First Quarter MOU Payment	10/31/2008	19,392,371.69	First Quarter MOU Payment	11/16/2011	28,601,298.98	
	October 2008	57,608,174.31		October 2011	56,434,332.77		
	November 2008	52,010,512.62		November 2011	52,892,465.91		
	December 2008	51,176,551.03		December 2011	57,303,339.30		
	Second Quarter MOU Payment	1/30/2009	30,968,933.04	Second Quarter MOU Payment	1/31/2012	28,142,812.78	
	January 2009	62,448,994.93		January 2012	67,440,335.75		
	February 2009	46,790,898.05		February 2012	49,632,002.94		
	March 2009	46,084,047.46		March 2012	49,645,001.96		
	Third Quarter MOU Payment	4/30/2009	36,440,230.56	Third Quarter MOU Payment	5/1/2012	28,055,610.14	
	April 2009	51,850,889.02		April 2012	57,959,022.11		
	May 2009	52,232,931.03		May 2012	54,727,891.41		
	June 2009	55,238,472.87		June 2012	58,289,404.18		
	Fourth Quarter MOU Payment	7/31/2009	32,441,878.08	Fourth Quarter MOU Payment	8/6/2012	23,796,633.06	
<b>FY 2010</b>	July 2009	57,556,839.54	<b>FY 2013</b>	July 2012	60,514,085.00		
	August 2009	54,385,484.65		August 2012	56,214,127.91		
	September 2009	49,646,769.86		September 2012	53,253,415.25		
	First Quarter MOU Payment	11/13/2009	30,178,767.63	First Quarter MOU Payment	11/8/2012	26,735,105.84	
	October 2009	53,810,216.23		October 2012	57,666,683.85		
	November 2009	50,510,524.03		November 2012	54,030,702.27		
	December 2009	50,719,673.02		December 2012	55,053,529.62		
	Second Quarter MOU Payment	1/29/2010	36,720,067.04	Second Quarter MOU Payment	2/1/2013	29,965,818.26	
	January 2010	61,894,172.30		January 2013	67,566,094.01		
	February 2010	46,001,614.90		February 2013	51,348,027.58		
	March 2010	47,656,945.22		March 2013	49,311,690.96		
	Third Quarter MOU Payment	4/30/2010	36,211,438.58	Third Quarter MOU Payment	5/3/2013	28,494,921.45	
	April 2010	56,005,251.54		April 2013	59,361,697.15		
	May 2010	52,957,311.16		May 2013	57,963,739.49		
	June 2010	55,939,141.58		June 2013	59,767,439.93		
	Fourth Quarter MOU Payment	8/6/2010	26,862,466.72	Fourth Quarter MOU Payment	8/12/2013	19,623,857.43	
<b>FY 2011</b>	July 2010	60,334,040.24	<b>FY 2014</b>	July 2013	64,231,512.49		
	August 2010	55,279,892.76		August 2013	60,261,267.69		
	September 2010	51,855,845.04		September 2013	56,758,561.83		
	First Quarter MOU Payment	11/2/2010	24,294,392.96	First Quarter MOU Payment	11/8/2013	18,572,451.75	
	October 2010	55,324,371.10		October 2013	61,475,798.67		
	November 2010	52,918,333.82		November 2013	57,319,546.82		
	December 2010	54,536,590.64		December 2013	59,134,641.96		
	Second Quarter MOU Payment	2/7/2011	28,984,875.44	Second Quarter MOU Payment	1/30/2014	21,893,806.29	
	January 2011	66,112,553.97		January 2014	71,526,493.00		
	February 2011	45,897,703.95		February 2014	53,143,778.13		
	March 2011	48,764,668.38		March 2014	54,186,252.54		
	Third Quarter MOU Payment	5/9/2011	30,989,244.70	Third Quarter MOU Payment	5/1/2014	20,967,269.72	
	April 2011	54,653,746.10		April 2014	62,608,966.17		
	May 2011	53,043,325.34		May 2014	62,875,347.85		
	June 2011	55,923,298.65		June 2014	64,005,125.45		
	Fourth Quarter MOU Payment	8/17/2011	28,143,800.91	Fourth Quarter MOU Payment	9/5/2014	3,933,841.57	
				Fourth Quarter MOU Payment	9/26/2014	6,400,512.55	
				<b>FY 2015</b>	July 2014	68,214,194.94	
					August 2014	62,366,083.75	
					September 2014	59,552,808.80	
					First Quarter MOU Payment	11/3/2014	12,526,206.21
					October 2014	64,651,586.42	
					November 2014	126,739,253.62	
					December 2014	74,036,630.01	
					Second Quarter MOU Payment	2/5/2015	17,231,823.00
					January 2015	89,024,882.02	
					February 2015	68,767,752.48	
					March 2015	68,994,173.66	
					Third Quarter MOU Payment	4/28/2015	15,872,485.00
					April 2015	79,871,076.90	
					May 2015	78,396,158.00	
					June 2015	83,496,269.00	
					Fourth Quarter MOU Payment	9/22/2015	895,790.00

**APPENDIX G**

**LIST OF REFUNDED BONDS**

The bonds of the Authority to be refunded by the proceeds of the 2015 Series B Bonds are described below.

<u>Bond</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP*</u>
Senior Sales Tax Bonds, 2006 Series C						
	7/1/2019	5.00%	\$8,870,000	7/1/2018	100%	575579MZ7
	7/1/2024	5.00	11,370,000	7/1/2018	100	575579NE3
	7/1/2025	5.00	11,940,000	7/1/2018	100	575579NF0
	7/1/2026	5.00	12,535,000	7/1/2018	100	575579NG8
	7/1/2027	5.00	13,165,000	7/1/2018	100	575579NH6
Assessment Bonds, 2005 Series A						
	7/1/2035	4.50%	\$34,000,000	10/26/2015	100%	575577GV7
	7/1/2033	4.00	21,500,000	10/26/2015	100	575577GT2
Assessment Bonds, 2008 Series A						
	7/1/2019	4.50%	\$4,240,000	7/1/2018	100%	575577KW0
	7/1/2025	5.00	4,670,000	7/1/2018	100	575577LE9
	7/1/2026	5.00	4,560,000	7/1/2018	100	575577LF6
	7/1/2027	5.00	4,795,000	7/1/2018	100	575577LG4
	7/1/2028	5.00	8,670,000	7/1/2018	100	575577LH2
	7/1/2034	5.25	56,100,000	7/1/2018	100	575577LJ8

\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. The CUSIP numbers are included solely for the convenience of Bondowners and the Authority is not responsible for the selection or the correctness of the CUSIP numbers printed herein. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products.

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