

Exhibit Book  
Finance Committee Meeting  
11/18/2020

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**METROPOLITAN TRANSPORTATION AUTHORITY**

**PAYROLL MOBILITY TAX  
OBLIGATION RESOLUTION**

Adopted October \_\_, 2020

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**PAYROLL MOBILITY TAX  
OBLIGATION RESOLUTION**

BE IT RESOLVED by the Members of the Metropolitan Transportation Authority as follows:

**ARTICLE I  
STANDARD RESOLUTION PROVISIONS; DEFINITIONS**

**Section 101. Standard Resolution Provisions.** Except as otherwise specifically provided herein or by Supplemental Resolution, by the Standard Resolution Provisions Applicable to MTA and TBTA PMT Obligations and Parity Debt appended hereto as Annex A (the “**Senior Lien Standard Resolution Provisions**”), the Standard Resolution Provisions Applicable to MTA and TBTA Second Lien PMT Obligations and Second Lien Parity Debt appended hereto as Annex B (the “**Second Lien Standard Resolution Provisions**”) and the Additional Resolution Provisions Applicable to MTA and TBTA Senior Lien PMT Obligations and Second Lien PMT Obligations appended hereto as Annex C (the “**PMT Standard Resolution Provisions**”) constitute an integral part of the Resolution and have the same force and effect as if set forth in the forepart of the Resolution.

**Section 102. Definitions.** Except as the context shall otherwise require, capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Senior Lien Standard Resolution Provisions, the Second Lien Standard Resolution Provisions or the PMT Standard Resolution Provisions, as applicable. In the event any such term is defined in one or more of the Senior Lien Standard Resolution Provisions, the Second Lien Standard Resolution Provisions, and the PMT Standard Resolution Provisions, the definition contained in the Senior Lien Standard Resolution Provisions shall control in respect of Obligations and Parity Debt and the definition contained in the Second Lien Standard Resolution Provisions shall control in respect of Second Lien Obligations and Second Lien Parity Debt. In addition, to the extent that the State, by law and consistent with their agreements set forth herein and in the Financing Agreement, changes any funds and accounts referred to herein or in the Financing Agreement, such definitions shall be deemed to include any successor provisions. The following terms shall, for all purposes of the Resolution, have the following meanings:

**ATA Receipts Subaccount** shall mean the subaccount by that name established by the MTA in the Corporate Transportation Account established by subsection (1) of Section 507 hereof.

**Authorized Purpose** shall mean any lawful purpose for which notes, bonds or other obligations may be issued under the Issuer Act.

**Corporate Transportation Account** shall mean the account bearing such name established by the Issuer in the Metropolitan Transportation Authority Special Assistance Fund pursuant to Section 1270-a of the MTA Act, or any successor fund or account provided by law.

**Debt Service Payment Date** shall mean, unless otherwise set forth in a Supplemental Resolution, each Interest Payment Date and/or Principal Payment Date.

**Debt Service Year** shall mean the twelve-month period commencing May 16 of each calendar year and ending on May 15 of the next succeeding calendar year, except that the first Debt Service Year shall begin on the date specified in the Supplemental Resolution authorizing the first Series of Obligations.

**Interest Deposit Months** shall mean, unless otherwise set forth in a Supplemental Resolution, (i) for Obligations with interest payable semi-annually, the first five Months of the six month period immediately preceding the month of each Interest Payment Date, (ii) for Obligations with interest payable more frequently than semi-annually but less frequently than monthly, the number of Months (calculated by the number of months in the interest period minus one) immediately preceding the month of each Interest Payment Date, and (iii) for Obligations with interest payable monthly or more frequently, the month immediately preceding the month of each Interest Payment Date; *provided, however*, that if there remains a deficiency in deposits required pursuant to this Resolution or the Financing Agreement, each month up to and including the month in which there is an Interest Payment Date shall be an Interest Deposit Month.

**Interest Payment Date** shall mean the dates specified as such in the applicable Supplemental Resolution.

**Issuer** shall mean MTA.

**Mobility Tax Receipts Subaccount** shall mean the subaccount by that name established by the Issuer in the MTA Finance Fund established by subsection (2) of Section 507 hereof.

**Month** shall mean a calendar month.

**Monthly Interest Deposit Requirement** shall mean, unless otherwise set forth in a Supplemental Resolution, for each applicable Interest Deposit Month, (i) for Obligations on which the interest is payable semi-annually, an amount equal to one-fifth (1/5<sup>th</sup>) of the interest due and payable on such Obligations on the next succeeding Interest Payment Date, with the final deposit payable in the second Month prior to the month of the applicable Interest Payment Date (for example, for payments of interest due in May, the first deposit will be payable in November of the previous year and the fifth and final deposit will be payable in March of the same year and for payments of interest due in November, the first deposit will be payable in May and the fifth and final deposit will be payable in September), (ii) for Obligations on which the interest is payable more frequently than semi-annually but less frequently than monthly, an amount equal to the percentage (calculated by the number of months in the interest period minus one) of the interest due on such Obligations on the next succeeding Interest Payment Date, with the final deposit payable in the second Month prior to the applicable Interest Payment Date, and (iii) for Obligations on which the interest is payable monthly or more frequently, an amount equal to the amount of interest due and payable in the immediately succeeding month; *provided, however*, that such amount shall be adjusted by the Issuer to take into account the first Interest Payment Date following the issuance of Obligations, if necessary.

**Monthly Principal Deposit Requirement** shall mean, unless otherwise set forth in a Supplemental Resolution, for each Principal Installment and each related Principal Deposit Month, an amount equal to one-tenth (1/10<sup>th</sup>) of such Principal Installment on Obligations and

Second Lien Obligations; provided, however, that such amount shall be adjusted by MTA to take into account the first Principal Installment payable following the issuance of Obligations and Second Lien Obligations, if necessary.

**Monthly Second Lien Deposit Requirement** shall mean, for each Month, the sum of the Monthly Interest Deposit Requirement and Monthly Principal Deposit Requirement for Second Lien Obligations and Second Lien Parity Debt issued under this Resolution.

**Monthly Senior Lien Deposit Requirement** shall mean, for each Month, the sum of the Monthly Interest Deposit Requirement and Monthly Principal Deposit Requirement for Obligations and Parity Debt issued under the MTA PMT Resolution.

**MTA Annual Deposit Report** shall mean the annual certification by an Authorized Officer of the MTA described in subsection 10 of Section 507 hereof, as amended or supplemented from time to time.

**MTA Finance Fund** shall mean the Metropolitan Transportation Authority Finance Fund created under Section 1270-h of the MTA Act, or any successor fund or account provided by law.

**Obligations** shall mean any bonds, notes, commercial paper or other form of indebtedness of the Issuer payable from the Senior Lien Debt Service Fund, authorized by Section 201 and delivered pursuant to Section 202 or authorized pursuant to Section A-203 of Annex A, but *excluding* Obligation Anticipation Notes to the extent payable from, and expected by an Authorized Officer to be paid from, the proceeds of Obligations or other Obligation Anticipation Notes.

**Obligations COI Subaccount** shall mean the applicable Subaccount by that name established in the Obligations Proceeds Fund for a Series of Obligations pursuant to Section 503.

**Obligations Event of Default** shall mean the events defined as such in Section C-401 of Annex C.

**Obligations Proceeds Account** shall have the meaning given such term in Section 503.

**Obligations Proceeds Fund** shall mean the fund by that name established in Section 502.

**Obligations Trust Estate** shall mean, collectively, but subject to the terms and provisions of Section 501 and the proviso contained in Section 604 hereof, all right, title and interest of the Issuer in:

- (i) the proceeds of the sale of the Obligations;
- (ii) (x) the Financing Agreement including the right of the Issuer to receive the PMT Receipts thereunder and (y) the funds and accounts established under the Financing Agreement into which the PMT Receipts are to be deposited;

- (iii) until the Financing Agreement is executed and delivered, the PMT Receipts and the funds and accounts established hereunder into which the PMT Receipts are to be deposited;
- (iv) the Obligations Proceeds Fund and the Senior Lien Debt Service Fund, any money on deposit therein and any money received and held by the Issuer which is required to be deposited therein;
- (v) all Funds, Accounts and Subaccounts established by the Resolution (other than (a) the Second Lien Obligations Proceeds Fund and the Second Lien Debt Service Fund, and any accounts and subaccounts therein and (b) funds and any accounts and subaccounts therein established pursuant to a Supplemental Resolution in connection with Variable Interest Rate Obligations, Put Obligations or Parity Debt; provided, however, that, in the case of funds described in clause (b) hereof, such funds, accounts and subaccounts are specifically excepted from the Obligations Trust Estate by the Supplemental Resolution authorizing such Variable Interest Rate Obligations, Put Obligations or Parity Debt), including the investments, if any, thereof; and
- (vi) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Obligations by the Issuer, or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms hereof.

**Other Subordinated Obligations** shall mean any payment obligation (other than a payment obligation constituting Parity Debt or Second Lien Parity Debt) arising under any other contract, agreement or other obligation of the Issuer designated as “Other Subordinated Obligations” in a certificate of an Authorized Officer of the Issuer payable from amounts available to be transferred in accordance with this Resolution or the Financing Agreement and shall include, without limitation, swap termination or other fees, expenses, indemnification or other such obligations, Reimbursement Obligations not constituting Parity Reimbursement Obligations, and Reimbursement Second Lien Obligations not constituting Parity Reimbursement Second Lien Obligations.

**PMT Receipts** shall mean the Mobility Tax Receipts and the ATA Receipts.

**Principal Deposit Months** shall mean, unless otherwise set forth in a Supplemental Resolution, the first ten months of the twelve-month period immediately preceding the Month in which there is a Principal Installment, determined separately for each Principal Installment; provided, however, that if there remains a deficiency in deposits required pursuant to this Resolution or the Financing Agreement, each month up to and including the month in which there is a Principal Installment due shall be a Principal Deposit Month.

**Principal Payment Date** shall mean the dates specified as such in the applicable Supplemental Resolution.

**Refunding Obligations** shall mean all Obligations authenticated and delivered on original issuance pursuant to Section C-203 of Annex C.

**Refunding Second Lien Obligations** shall mean all Second Lien Obligations authenticated and delivered upon original issuance pursuant to Section C-204 of Annex C.

**Resolution** shall mean this Payroll Mobility Tax Obligation Resolution (including the Senior Lien Standard Resolution Provisions appended hereto as Annex A, the Second Lien Standard Resolution Provisions appended hereto as Annex B and the PMT Standard Resolution Provisions appended hereto as Annex C), as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms hereof.

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

**Second Lien Debt Service Fund Requirement** shall mean, as of any date, the greater of (1) an amount equal to the sum of the Monthly Second Lien Deposit Requirements required to have been deposited hereunder or under the Financing Agreement attributable to all Second Lien Obligations and Second Lien Parity Debt payable over the immediately succeeding 12-month period or (2) an amount equal to the sum of the amounts of accrued and unpaid Second Lien Obligation Debt Service with respect to all Second Lien Obligations and Second Lien Parity Debt, calculating the accrued Second Lien Obligation Debt Service with respect to Outstanding Second Lien Obligations at an amount equal to the sum of (i) as estimated by an Authorized Officer, interest on the Second Lien Obligations and interest components of Second Lien Parity Debt accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Second Lien Obligation Principal Installments due and unpaid and that portion of the Second Lien Obligation Principal Installment for such Second Lien Obligations and Second Lien Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month. For purposes of calculating deposits relating to the Second Lien Debt Service Fund, Second Lien Obligation Principal Installments shall not include amounts that an Authorized Officer has notified the Second Lien Trustee are to be paid from sources other than Mobility Tax Receipts and ATA Tax Receipts, nor shall Accrued Second Lien Debt Service include any amounts that, as certified by an Authorized Officer, have been set aside hereunder or otherwise in trust for the payment thereof; *provided, however, that* the amount calculated pursuant to clause (i) above for any Series of Second Lien Obligations shall never exceed the interest due and payable on such next succeeding Interest Payment Date (including additional interest pursuant to any related Second Lien Parity Debt) and the amount calculated pursuant to clause (ii) shall never exceed the Principal Installment due on the next succeeding Principal Payment Date; and *provided further that*, with respect to each Series of Second Lien Obligations, commencing five Business Days prior to each Debt Service Payment Date, the Second Lien Debt Service Requirement shall be no less than the interest and Principal Installments, if any, payable on such Debt Service Payment Date with respect to such Series. For purposes of computing the Second Lien Debt Service Fund Requirement, the Second Lien Obligations of a Series and any Second Lien Parity Debt payable on each different Interest

Payment Date shall be treated as a separate Series, and if Second Lien Obligations of any Series or any Second Lien Parity Debt have different interest/and or Principal Payment Dates, such computation shall be done separately in respect of each such Interest and/or Principal Payment Date.

**Second Lien Obligations** shall mean any bonds, notes, commercial paper or other forms of indebtedness of the Issuer, payable from the Second Lien Debt Service Fund, authorized by Section 203 and delivered pursuant to Section 204 or authorized pursuant to Section B-203 of Annex B, but *excluding* Second Lien Obligation Anticipation Notes to the extent payable from, and expected by an Authorized Officer to be paid from, the proceeds of Second Lien Obligations or other Second Lien Obligation Anticipation Notes. All Second Lien Obligations shall be payable and secured in the manner permitted by Article V, and any lien on and pledge of any portion of the Second Lien Obligations Trust Estate securing Second Lien Obligations shall be junior and inferior to the lien on and a pledge of the Obligations Trust Estate herein created for the payment of the Obligations and Parity Debt.

**Second Lien Obligations COI Subaccount** shall mean the applicable Subaccount by that name established in the Second Lien Obligations Proceeds Fund for a Series of Second Lien Obligations pursuant to Section 504.

**Second Lien Obligations Event of Default** shall mean the events defined as such in Section C-404 of Annex C.

**Second Lien Obligations Proceeds Fund** shall mean the Fund by that name established in Section 502.

**Second Lien Obligations Trust Estate** shall mean, collectively, but subject to the terms and provisions of subordination set forth in Article V and the proviso contained in Section 604 hereof, all right, title and interest of the Issuer in:

- (i) the proceeds of the sale of the Second Lien Obligations;
- (ii) (x) the Financing Agreement including the right of the Issuer to receive the PMT Receipts thereunder and (y) the funds and accounts established under the Financing Agreement into which the PMT Receipts are to be deposited;
- (iii) until the Financing Agreement is executed and delivered, the PMT Receipts and the funds and accounts established hereunder into which the PMT Receipts are to be deposited;
- (iv) the Second Lien Obligations Proceeds Fund and the Second Lien Debt Service Fund, any money on deposit therein and any money received and held by the Issuer which is required to be deposited therein, subject to the subordination provisions set forth in Article V of the Resolution;
- (v) all Funds, Accounts and Subaccounts established by the Resolution (other than (a) the Obligations Proceeds Fund and the Senior Lien Debt Service Fund, and any accounts and subaccounts therein and (b) funds and any

accounts and subaccounts therein established pursuant to a Supplemental Resolution in connection with Variable Interest Rate Second Lien Obligations, Second Lien Put Obligations or Second Lien Parity Debt; provided, however, that, in the case of funds described in clause (b) hereof, such funds, accounts and subaccounts are specifically excepted from the Second Lien Obligations Trust Estate by the Supplemental Resolution authorizing such Variable Interest Rate Second Lien Obligations, Second Lien Put Obligations or Second Lien Parity Debt), including the investments, if any, thereof, subject to the subordination provisions set forth in Article V of the Resolution; and

- (vi) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Second Lien Obligations by the Issuer, or by anyone on its behalf, or with its written consent, to the Second Lien Trustee, which is hereby authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms hereof.

**Second Lien Parity Owners** shall have the meaning set forth in Annex C.

**Second Lien Trustee** shall mean the Trustee or, if so provided in the Supplemental Resolution creating any Second Lien Obligations or Second Lien Parity Debt, the entity meeting the requirements of subdivision 3 of Section B-710 of Annex B and designated as Second Lien Trustee in a Supplemental Resolution.

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

**Senior Lien Debt Service Fund Requirement** shall mean, as of any date, the greater of (1) an amount equal to the sum of the Monthly Senior Lien Deposit Requirements required to have been deposited hereunder or under the Financing Agreement attributable to all Obligations and Parity Debt payable over the immediately succeeding 12-month period or (2) an amount equal to the sum of the amounts of accrued and unpaid Obligation Debt Service with respect to all Outstanding Obligations and Parity Debt, calculating the accrued Debt Service with respect to Outstanding Obligations at an amount equal to the sum of (i) as estimated by an Authorized Officer, the interest on the Obligations and interest components of Parity Debt accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) the Principal Installments due and unpaid and that portion of the Principal Installment for such Obligations and Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month. For purposes of calculating deposits relating to the Senior Lien Debt Service Fund, Principal Installments shall not include amounts that an Authorized Officer has notified the Trustee are to be paid from sources other than Mobility Tax Receipts and ATA Tax Receipts, nor shall Accrued Senior Lien Debt Service include any amounts that, as certified by an Authorized Officer, have been set aside hereunder or otherwise in trust for the payment thereof; *provided, however, that* the amount calculated pursuant to clause (i) above for any Series of Obligations shall never exceed the interest due and

payable on such next succeeding Interest Payment Date (including additional interest pursuant to any related Parity Debt) and the amount calculated pursuant to clause (ii) shall never exceed the Principal Installment due on the next succeeding Principal Payment Date; and *provided further that*, with respect to each Series of Obligations, commencing five Business Days prior to each Debt Service Payment Date, the Senior Lien Debt Service Fund Requirement shall be no less than the interest and Principal Installments, if any, payable on such interest payment date with respect to such Series. For purposes of computing the Senior Lien Debt Service Fund Requirement, the Obligations of a Series and any Parity Debt payable on each different Debt Service Payment Date shall be treated as a separate Series, and if Obligations of any Series or any Parity Debt have different interest and/or Principal Payment Dates, such computation shall be done separately in respect of each such Interest and/or Principal Payment Date.

**Senior Lien Parity Owners** shall have the meaning set forth in Annex C.

**Special Assistance Fund** shall mean the Metropolitan Transportation Authority Special Assistance Fund created under Section 1270-a of the MTA Act, or any successor fund or account provided by law.

**Subaccount** or **Subaccounts** shall mean each subaccount or all of the subaccounts established in Article V, as the case may be.

**Section 103. Interpretation; Amendments to Certain Standard Resolution Provisions.**

1. Second Lien Obligations shall constitute Subordinated Indebtedness and Second Lien Parity Debt shall constitute Subordinated Contract Obligations for purposes of Annex A hereto.

2. Subsection 4 of Section A-202 of Annex A is hereby amended to delete all references therein to “Subordinated Contract Obligations and inserting “Other Subordinated Obligations” in replacement thereof.

3. Notwithstanding any other provisions of the Resolution, including Annexes A, B and C, to the extent the consent of Owners of Obligations and Second Lien Owners is at any time required, the existence of the consent of the required percentages of Owners of Obligations and of Second Lien Owners shall be determined separately for Obligations and for Second Lien Obligations.

4. All references herein to the Financing Agreement shall refer to the Financing Agreement, if and when executed and delivered and to the extent applicable to the provision reference is therein made. References herein to TBTA, TBTA Obligations, TBTA Second Lien Obligations, TBTA Parity Debt, TBTA Second Lien Parity Debt and the Financing Agreement, and provisions relating to the foregoing are included solely in the event that a resolution similar to this Resolution is adopted by TBTA and approved by the Metropolitan Transportation Authority Capital Program Review Board to authorize TBTA to issue parity obligations secured under substantially the same terms and conditions as MTA is authorized to issue obligations under this Resolution. Until such resolution is adopted by TBTA and approved by the Metropolitan Transportation Authority Capital Program Review Board, all such provisions herein shall be disregarded.

5. In the event that such resolution is adopted by TBTA and approved by the Metropolitan Transportation Authority Capital Program Review Board, all Owners of Obligations and Second Lien Owners of Second Lien Obligations issued pursuant to this Resolution shall be deemed to have consented to (i) the execution by the Issuer and TBTA of the Financing Agreement, including any provisions that may supersede certain of the provisions of this Resolution and (ii) the establishment of funds and accounts into which the PMT Receipts will be deposited and applied for the equitable and ratable benefit of the owners of Issuer obligations and TBTA obligations in accordance with and as contemplated by the Financing Agreement. Until such Resolution is adopted by TBTA and approved by the Metropolitan Transportation Authority Capital Program Review Board, a copy of this paragraph shall be included in every disclosure document relating to the offering of Obligations and Second Lien Obligations to be issued under this Resolution.

## **ARTICLE II AUTHORIZATION AND ISSUANCE OF OBLIGATIONS AND SECOND LIEN OBLIGATIONS**

### **Section 201. Authorization of the Obligations and Parity Debt.**

1. The Resolution hereby authorizes Obligations of the Issuer designated as “Payroll Mobility Tax Obligations”, which Obligations, if and when authorized by the Issuer pursuant to one or more Supplemental Resolutions, may be issued in one or more Series or subseries. Obligations may be issued as Tax-Exempt Obligations, as Taxable Obligations, as obligations which convert on a particular date or dates from Taxable Obligations to Tax-Exempt Obligations, or as Taxable Obligations which are mandatorily exchangeable on a particular date or dates for Tax-Exempt Obligations, or otherwise as determined by Supplemental Resolution and not contrary to the Resolution as then in effect. The Obligations shall be *special obligations* of the Issuer payable solely from the Obligations Trust Estate pledged to the payment thereof pursuant to subsection 1 of Section 501, but subject to the proviso contained in Section 604 hereof. The aggregate principal amount of the Obligations which may be executed, authenticated and delivered under the Resolution is not limited except as provided in the Resolution or as may from time to time be limited by law.

2. The Obligations may, if and when authorized by the Issuer pursuant to one or more Supplemental Resolutions, be issued in one or more Series or subseries, and the designations thereof, in addition to the name "Payroll Mobility Tax Bonds", shall include such further or different designations in such title for the Obligations of any particular Series or subseries as the Issuer may determine. Each Obligation shall bear upon its face the designation so determined for the Series or subseries to which it belongs.

3. Nothing in the Resolution shall be deemed to prevent the consolidation into a single Series or subseries for purposes of issuance and sale of Obligations otherwise permitted by the Resolution to be issued at the same time in two or more separate Series or subseries. In the event that separate Series or subseries are combined for purposes of issuance and sale, they may be issued under a single Supplemental Resolution notwithstanding any other provision of the Resolution. Nothing in the Resolution (except to the extent required by Supplemental Resolution) shall be deemed to prevent the separation into separate Series or subseries for purposes of issuance and sale of Obligations otherwise permitted by the Resolution to be issued in one Series or subseries.

4. Obligations may be issued for any Authorized Purpose.

**Section 202. General Provisions for Issuance of Obligations.** Obligations may be issued for any Authorized Purpose pursuant to a Supplemental Resolution upon (a) satisfaction of the provisions of Section A-201 of Annex A, except that the Opinion of Bond Counsel required by Section A-201.2(a)(iii) of Annex A shall be to the effect that the Obligations are valid, binding, special obligations of the Issuer, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Issuer Act and the Resolution, as amended to the date of such Opinion of Bond Counsel, (b) satisfaction of the provisions of Section C-201 of Annex C, and (c) receipt by the Trustee of a copy of the Financing Agreement, if applicable, certified by an Authorized Officer of the Issuer.

**Section 203. Authorization of Second Lien Obligations.**

1. The Resolution hereby authorizes Second Lien Obligations of the Issuer designated as "Payroll Mobility Tax Second Lien Obligations", which Second Lien Obligations, if and when authorized by the Issuer pursuant to one or more Supplemental Resolutions, may be issued in one or more Series or subseries. Second Lien Obligations may be issued as Tax-Exempt Second Lien Obligations, as Taxable Second Lien Obligations, as obligations which convert on a particular date or dates from Taxable Second Lien Obligations to Tax-Exempt Second Lien Obligations, or as Taxable Second Lien Obligations which are mandatorily exchangeable on a particular date or dates for Tax-Exempt Second Lien Obligations, or otherwise as determined by Supplemental Resolution and not contrary to the Resolution as then in effect. The Second Lien Obligations shall be *special obligations* of the Issuer payable solely from the Second Lien Obligations Trust Estate pledged to the payment thereof pursuant to subsection 5 of Section 501, but subject to the proviso contained in Section 604 hereof. The aggregate principal amount of the Second Lien Obligations which may be executed, authenticated and delivered under the Resolution is not limited except as provided in the Resolution or as may from time to time be limited by law.

2. The Second Lien Obligations may, if and when authorized by the Issuer pursuant to one or more Supplemental Resolutions, be issued in one or more Series or subseries, and the designations thereof, in addition to the name "Payroll Mobility Tax Second Lien Obligations", shall include such further or different designations in such title for the Second Lien Obligations of any particular Series or subseries as the Issuer may determine. Each Second Lien Obligation shall bear upon its face the designation so determined for the Series or subseries to which it belongs.

3. Nothing in the Resolution shall be deemed to prevent the consolidation into a single Series or subseries for purposes of issuance and sale of Second Lien Obligations otherwise permitted by the Resolution to be issued at the same time in two or more separate Series or subseries. In the event that separate Series or subseries are combined for purposes of issuance and sale, they may be issued under a single Supplemental Resolution notwithstanding any other provision of the Resolution. Nothing in the Resolution (except to the extent required by Supplemental Resolution) shall be deemed to prevent the separation into separate Series or subseries for purposes of issuance and sale of Second Lien Obligations otherwise permitted by the Resolution to be issued in one Series or subseries.

4. Second Lien Obligations may be issued for any Authorized Purpose.

**Section 204. General Provisions for Issuance of Second Lien Obligations.** Second Lien Obligations may be issued pursuant to a Supplemental Resolution upon (a) satisfaction of the provisions of Section B-201 of Annex B, except that the Opinion of Bond Counsel required by Section B-201.2(a)(iii) of Annex B shall be to the effect that the Second Lien Obligations are valid and binding special obligations of the Issuer, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Issuer Act and the Resolution, each as amended to the date of such Opinion of Bond Counsel, (b) satisfaction of the provisions of Section C-203 of Annex C, and (c) receipt by the Second Lien Trustee of a copy of the Financing Agreement, if applicable, certified by an Authorized Officer of the Issuer.

### **ARTICLE III FORM OF OBLIGATIONS AND SECOND LIEN OBLIGATIONS**

**Section 301. Form of Obligations.** Subject to the provisions of the Resolution and except as otherwise provided pursuant to a Supplemental Resolution, each Series of Obligations shall be issued as fully registered securities in substantially the form provided in Exhibit One appended hereto. Any Authorized Officer executing and delivering any such Obligations may make such changes in the form thereof as deemed necessary or convenient by such Authorized Officer, including changes to conform with (i) the terms of sale, (ii) the provisions of the related Supplemental Resolution, (iii) the requirements of the related Securities Depository, provider of a Credit Facility or Rating Agency, (iv) industry practice or (v) federal, State or City regulatory requirements, and the execution (whether manual or by facsimile) and delivery of any such obligations shall be conclusive evidence of the approval of all terms thereof by such Authorized Officer.

**Section 302. Form of Second Lien Obligations.** Subject to the provisions of the Resolution and except as otherwise provided pursuant to a Supplemental Resolution, each Series

of Second Lien Obligations shall be issued as fully registered securities in substantially the form provided in Exhibit Two appended hereto. Any Authorized Officer executing and delivering any such Second Lien Obligations may make such changes in the form thereof as deemed necessary or convenient by such Authorized Officer, including changes to conform with (i) the terms of sale, (ii) the provisions of the related Supplemental Resolution, (iii) the requirements of the related Securities Depository, provider of a Second Lien Obligation Credit Facility or Rating Agency, (iv) industry practice or (v) federal, State or City regulatory requirements, and the execution (whether manual or by facsimile) and delivery of any such obligations shall be conclusive evidence of the approval of all terms thereof by such Authorized Officer.

**ARTICLE IV**  
**REDEMPTION AT DEMAND OF THE STATE OR THE CITY**

**Section 401. Redemption at Demand of the State or the City.** Except as otherwise provided pursuant to a Supplemental Resolution, either the State or the City may, upon furnishing sufficient funds therefor, require the Issuer to redeem all or any portion of the Obligations or Second Lien Obligations as provided in the Issuer Act as in effect on the date any such Obligations or Second Lien Obligations were issued.

**ARTICLE V**  
**PLEDGE; MAINTENANCE AND ESTABLISHMENT OF FUNDS AND**  
**ACCOUNTS AND APPLICATION THEREOF**

**Section 501. The Pledge Effected by the Resolution.**

1. There are hereby pledged for the payment of the principal and Redemption Price of, and interest on, and Sinking Fund Installments for, the Obligations and, on a parity basis, the Parity Debt, in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, all right, title and interest of the Issuer in the Obligations Trust Estate.

2. The pledge created by subsection 1 of this Section 501 shall in all respects secure on a pari passu basis all of the Obligations and Parity Debt and, except as expressly so provided, nothing contained in the Resolution shall be deemed to confer on the Owners of any Obligations or Parity Debt any rights in the Obligations Trust Estate superior or inferior to the Owners of any other Obligations or Parity Debt. The Obligations and Parity Debt are payable solely from the Obligations Trust Estate.

3. The pledge created by subsection 1 of this Section 501 shall be valid and binding from and after the date of issuance and delivery of the first Obligations, and the Obligations Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

4. Subject to the provisions of subsection 1 of this Section 501, the Obligations Trust Estate is and shall 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 Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken. Notwithstanding the foregoing, all right, title and interest of the Issuer in and to the Financing Agreement and receipt of amounts payable hereunder or thereunder for the benefit of Obligations and Parity Debt, is of equal rank with the all right, title and interest of TBTA in and to the Financing Agreement and receipt of amounts payable hereunder or thereunder for the benefit of TBTA Obligations and TBTA Parity Debt.

5. The Second Lien Obligations and Second Lien Parity Debt constitute Subordinated Indebtedness (as defined in Annex A) and the rights of Second Lien Owners and holders of Second Lien Parity Debt to payment of principal of and interest on the Second Lien Obligations and Second Lien Parity Debt are subordinated to the rights of Owners of Obligations and Parity Debt to the extent and in the manner provided in this Article V and the Financing Agreement. There are hereby pledged for the payment of the principal and Redemption Price of, interest on, and Second Lien Sinking Fund Installments for, the Second Lien Obligations and, on a parity basis, Second Lien Parity Debt, in accordance with their terms and the provisions of the

Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, all right, title and interest of the Issuer in the Second Lien Obligations Trust Estate.

6. The Second Lien Obligations and Second Lien Parity Debt are payable solely from the Second Lien Obligations Trust Estate which Second Lien Obligations Trust Estate is subject, subordinate and junior to the Obligations Trust Estate with respect to payments to be made on account of Obligations and Parity Debt as set forth in paragraph 8 below. The Second Lien Obligations and Second Lien Parity Debt shall be payable from such amounts as shall from time to time be available for transfer hereunder or pursuant to the Financing Agreement, and any amounts so transferred shall thereafter be free and clear of the lien of the Obligations Trust Estate. The pledge created by this subsection 5 shall in all respects secure on a pari passu basis all of the Second Lien Obligations and Second Lien Parity Debt and, except as expressly so provided, nothing contained in the Resolution shall be deemed to confer on any Second Lien Owners and the holders of any Second Lien Parity Debt any rights in the Second Lien Obligations Trust Estate superior or inferior to the Second Lien Owners of any other Second Lien Obligations and the holders of any Second Lien Parity Debt.

7. The pledge created by subsection 5 of this Section 501 shall be valid and binding from and after the date of issuance and delivery of the first Second Lien Obligations, and the Second Lien Obligations Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

8. Subject to the provisions of subsections 1 and 5 of this Section 501, the Second Lien Obligations Trust Estate is and shall 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 Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken. Notwithstanding the foregoing, all right, title and interest of the Issuer in and to the Financing Agreement, and receipt of amounts payable hereunder or thereunder for the benefit of Second Lien Obligations and Second Lien Parity Debt, is (a) subordinate to (i) the right, title and interest of the Issuer in and to the Financing Agreement, and receipt of amounts payable hereunder and thereunder for the benefit of Obligations and Parity Debt and (ii) the right, title and interest of TBTA in and to the Financing Agreement, and receipt of amounts payable hereunder and thereunder for the benefit of TBTA Obligations and TBTA Parity Debt and (b) of equal rank with the right, title and interest of TBTA in and to the Financing Agreement, and receipt of amounts payable hereunder and thereunder for the benefit of TBTA Second Lien Obligations and TBTA Second Lien Parity Debt.

9. Nothing contained in this Section 501 shall be construed as limiting any authority granted to the Issuer elsewhere in the Resolution to issue or incur Obligation Anticipation Notes or Second Lien Obligation Anticipation Notes or shall be deemed a limitation upon the authority of the Issuer to issue any other bonds, notes or other obligations under the Issuer Act secured by any income and funds other than the Obligations Trust Estate or the Second Lien Obligations Trust Estate, including Subordinated Indebtedness or Subordinated Contract Obligations.

**Section 502. Establishment of Funds, Accounts and Subaccounts.**

1. The following Funds are hereby established:

(a) The Obligations Proceeds Fund, which shall be held and administered by the Issuer;

(b) The Second Lien Obligations Proceeds Fund, which shall be held and administered by the Issuer;

(c) The Senior Lien Debt Service Fund, which shall be held and administered by the Trustee; and

(d) The Second Lien Debt Service Fund, which shall be held and administered by the Trustee or, if so provided in a Supplemental Resolution, the Second Lien Trustee.

2. Amounts held at any time by the Issuer, the Trustee or the Second Lien Trustee in any of the Funds or Accounts established pursuant to this Section shall be held in trust separate and apart from all other funds. Additional funds, accounts or subaccounts may be established by the Issuer in its discretion pursuant to this Section upon the delivery of a certificate to the Trustee or Second Lien Trustee, as applicable, or by Supplemental Resolution.

3. Except as otherwise provided herein or in a Supplemental Resolution, all investment income earned on amounts on deposit in the Funds, Accounts or Subaccounts established under the Resolution shall remain on deposit in such Funds, Accounts or Subaccounts and applied in accordance with the provisions applicable to such Funds, Accounts or Subaccounts.

**Section 503. Obligations Proceeds Fund and Application Thereof.**

1. There shall be established within the Obligations Proceeds Fund a separate account (“Obligations Proceeds Account”) for each Series of Obligations and within each such Account a separate Obligations COI Subaccount. Additional Subaccounts may be established by certificate of an Authorized Officer within each such Obligations Proceeds Account.

2. The Issuer shall pay into the Obligations Proceeds Fund and each Obligations Proceeds Account, if any, and each Subaccount, if any, such amounts as shall be provided for by Supplemental Resolution or in the resolution authorizing Obligation Anticipation Notes. The portion of any such amount determined by Supplemental Resolution to be used for the payment of Costs of Issuance shall be paid into and disbursed from the related Obligations COI Subaccount. Excess amounts in any Obligation COI Subaccount may be transferred by the Issuer to the related Obligations Proceeds Account and applied for an Authorized Purpose in the manner and upon such conditions, if any, as the Issuer may provide in the Supplemental Resolution authorizing such Obligations, or transferred by the Issuer to the Senior Lien Debt Service Fund and applied to the payment of interest on the related Obligations.

3. Unless otherwise provided for in a Supplemental Resolution or in the resolution authorizing Obligation Anticipation Notes, amounts in each Obligations Proceeds Account and

each Subaccount shall be applied for an Authorized Purpose in the manner and upon such conditions, if any, as the Issuer may provide in such Supplemental Resolution or in the resolution authorizing Obligation Anticipation Notes; *provided, however, that*, subject to any priority for Obligation Anticipation Notes, if on any Interest Payment Date or Principal Payment Date the amounts in the Senior Lien Debt Service Fund shall be less than Debt Service payable on such date, the Issuer shall apply amounts from the Obligations Proceeds Fund to the extent necessary to make up the deficiency; *provided, further, however that* if the amounts to be applied to make up any such deficiency are proceeds of Tax-Exempt Obligations, such amounts shall not be so applied unless there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such action will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations.

#### **Section 504. Second Lien Obligations Proceeds Fund and Application Thereof.**

1. There shall be established within the Second Lien Obligations Proceeds Fund a separate account (“Second Lien Obligations Proceeds Account”) for each Series of Second Lien Obligations and within each such Account a separate Second Lien Obligations COI Subaccount. Additional Subaccounts may be established by certificate of an Authorized Officer within each such Second Lien Proceeds Account.

2. The Issuer shall pay into the Second Lien Obligations Proceeds Fund and each Second Lien Proceeds Account and each Second Lien Obligations COI Subaccount, such amounts as shall be provided for by Supplemental Resolution or in the resolution authorizing Second Lien Obligation Anticipation Notes. The portion of any such amount determined by Supplemental Resolution to be used for the payment of Second Lien Costs of Issuance shall be paid into and disbursed from the related Second Lien Obligations COI Subaccount. Excess amounts in any Second Lien Obligations COI Subaccount may be transferred by the Issuer to the related Second Lien Obligation Proceeds Account and applied for an Authorized Purpose in the manner and upon such conditions, if any, as the Issuer may provide in the Supplemental Resolution authorizing such Second Lien Obligations or transferred by the Issuer to the Second Lien Debt Service Fund and applied to the payment of interest on the related Second Lien Obligations.

3. Unless otherwise provided for in a Supplemental Resolution or in the resolution authorizing Second Lien Obligation Anticipation Notes, amounts in each Second Lien Proceeds Account, if any, and each Subaccount, if any, shall be applied for an Authorized Purpose in the manner and upon such conditions, if any, as the Issuer may provide in such Supplemental Resolution or in the resolution authorizing Second Lien Obligation Anticipation Notes; *provided, however, that*, subject to any priority for Second Lien Obligation Anticipation Notes, if on any Interest Payment Date or Second Lien Obligations Principal Payment Date the amounts in the Second Lien Debt Service Fund shall be less than Second Lien Debt Service payable on such date, the Issuer shall apply amounts from the Second Lien Obligations Proceeds Fund to the extent necessary to make up the deficiency; *provided, further, however that* if the amounts to be applied to make up any such deficiency are proceeds of Tax-Exempt Obligations, such amounts shall not be so applied unless there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such action will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations.

## **Section 505. Senior Lien Debt Service Fund.**

1. The Trustee shall deposit, upon receipt thereof, all amounts transferred to the Trustee for deposit in the Senior Lien Debt Service Fund in accordance with Section 507 hereof or the Financing Agreement, as applicable.

2. The Trustee shall pay out of the Senior Lien Debt Service Fund to the respective Paying Agents (i) on or before each Interest Payment Date for any of the Obligations and any related Parity Debt, the amount required for the interest payable on such date; (ii) on or before each Principal Payment Date, the amount required for the Principal Installment (including the portion thereof payable in respect of Parity Debt) payable on such due date; and (iii) on or before any redemption date for the Obligations or Parity Debt which occurs on any date other than an Interest Payment Date, the amount required for the payment of interest on the Obligations or Parity Debt then to be redeemed. Such amounts shall be applied by the Paying Agents to such payments on and after the due dates thereof.

3. If on any date the sum of the amounts on deposit in the Senior Lien Debt Service Fund exceeds the Senior Lien Debt Service Fund Requirement calculated as of such date, the Trustee shall, upon direction of the Issuer, first apply any or all of such excess to cure or reduce any deficiency then existing in any Fund or Account under the Resolution and then transfer any and all of the remaining amount of such excess to the Issuer or as otherwise required or permitted by law free and clear of any lien, pledge and claim under the Resolution.

4. In the event of the refunding (including in connection with any payment at maturity, redemption, purchase, tender or exchange) of any Obligations, the Trustee shall, upon the direction of the Issuer, (a) withdraw from the Senior Lien Debt Service Fund all or any portion of the amounts accumulated therein with respect to the Debt Service on the Obligations being refunded and deposit such amounts, free and clear of any lien, pledge or claim of the Resolution, with itself as Trustee or with an escrow agent to be held in trust solely for the purchase, exchange or payment of the principal or Redemption Price, if applicable, of and interest on the Obligations being refunded, (b) apply such amounts to pay the Costs of Issuance of the Refunding Obligations, (c) deposit or transfer to the Trustee to deposit such amounts in any Fund or Account established hereunder, or (d) pay such amounts over to the Issuer free and clear of any lien, pledge or claim under the Resolution for deposit, in the discretion of the Issuer, into any fund or account as otherwise required or permitted by law; provided, however, that no such withdrawal or deposit shall be made unless (i) upon such refunding, the Obligations being refunded shall be deemed to have been paid within the meaning and with the effect provided in Section A-901 of Annex A, and (ii) at the time of and giving effect to such withdrawal and refunding, there shall exist no deficiency in any Fund or Account established under the Resolution.

5. Notwithstanding the foregoing provisions of subsections 3 and 4 of this Section 505, in the event the Trustee transfers to the Issuer any excess amounts in the Senior Lien Debt Service Fund under subsection 3 or the Trustee pays to the Issuer any amount under clause (d) of subsection 4, the Issuer shall, before using such moneys for any other purpose, determine that there are no debt service fund deficiencies relating to (i) TBTA Obligations or TBTA Parity Debt, or (ii) (a) MTA Second Lien Obligations or MTA Second Lien Parity Debt or (b) TBTA

Second Lien Obligations or TBTA Second Lien Parity Debt, in which case the Issuer shall transfer such moneys to the Applicable Trustees in the following order of priority: first, in such amount as required to cure any deficiencies with respect to TBTA Obligations or TBTA Parity Debt, and second, in such amounts as required to cure any such deficiencies with respect to MTA Second Lien Obligations and MTA Second Lien Parity Debt and TBTA Second Lien Obligations and TBTA Second Lien Parity Debt (provided, however, that if the excess amounts shall be insufficient to cure all such Second Lien deficiencies then such amounts shall be transferred to the Second Lien Trustee pro rata (in proportion to the amount of any deficiencies relative to each other) on a pari passu basis).

#### **Section 506. Second Lien Debt Service Fund.**

1. The Second Lien Trustee shall deposit, upon receipt thereof, all amounts transferred to the Second Lien Trustee for deposit in the Second Lien Debt Service Fund in accordance with Section 507 hereof or the Financing Agreement, as applicable.

2. The Second Lien Trustee shall pay out of the Second Lien Debt Service Fund to the respective Paying Agents (i) on or before each Interest Payment Date for any of the Second Lien Obligations and any related Second Lien Parity Debt, the amount required for the interest payable on such date; (ii) on or before each Second Lien Principal Payment Date, the amount required for the Second Lien Principal Installment (including the portion thereof payable in respect of a Second Lien Parity Debt) payable on such due date; and (iii) on or before any redemption date for the Second Lien Obligations or Second Lien Parity Debt which occurs on any Interest Payment Date, the amount required for the payment of interest on the Second Lien Obligations or Second Lien Parity Debt then to be redeemed. Such amounts shall be applied by the Paying Agents to such payments on and after the due dates thereof.

3. If on any date the sum of the amounts on deposit in the Second Lien Debt Service Fund exceeds the Second Lien Debt Service Fund Requirement calculated as of such date, the Second Lien Trustee shall, upon direction of the Issuer, first apply or transfer to the Trustee or the Second Lien Trustee, as appropriate, to apply any or all of such excess to cure or reduce any deficiency then existing in any Fund or Account under this Resolution and then transfer any and all of the remaining amount of such excess to the Issuer free and clear of any lien, pledge and claim under the Resolution.

4. In the event of the refunding (including in connection with any payment at maturity, redemption, purchase, tender or exchange) of any Second Lien Obligations, the Second Lien Trustee shall, upon the direction of the Issuer, (a) withdraw from the Second Lien Debt Service Fund all or any portion of the amounts accumulated therein with respect to the Debt Service on the Second Lien Obligations being refunded and deposit such amounts, free and clear of any lien, pledge or claim of this Resolution, with itself as Second Lien Trustee or with an escrow agent to be held in trust solely for the purchase, exchange or payment of the principal or Redemption Price, if applicable, of and interest on the Second Lien Obligations being refunded, (b) apply such amounts to pay the Costs of Issuance of the Refunding Second Lien Obligations, (c) deposit or transfer to the Second Lien Trustee to deposit such amounts in any Fund or Account established hereunder, or (d) pay such amounts over to the Issuer free and clear of any lien, pledge or claim under the Resolution for deposit, in the discretion of the Issuer, into any

fund or account or as otherwise required or permitted by law; provided, however, that no such withdrawal or deposit shall be made unless (i) upon such refunding, the Second Lien Obligations being refunded shall be deemed to have been paid within the meaning and with the effect provided in Section A-901 of Annex A, and (ii) at the time of and giving effect to such withdrawal and refunding, there shall exist no deficiency in any Fund or Account established under the Resolution.

5. The Issuer shall have the right to covenant with Persons to whom Second Lien Obligations and Second Lien Parity Debt run and with the Second Lien Owners or holders from time to time of Second Lien Obligations and Second Lien Parity Debt in order to add to the conditions, limitations and restrictions under which any Additional Obligations or Refunding Obligations may be issued or Parity Debt may be incurred; provided, however, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Second Lien Obligations and Second Lien Parity Debt or the incurrence of such Second Lien Obligations and Second Lien Parity Debt shall not permit the holders of such obligations to declare the same, nor to instruct such holders' trustee to declare the same, to be immediately due and payable prior to any time that all Obligations and Parity Debt have become due and payable.

6. The Issuer shall have the right to covenant with Persons to whom Other Subordinated Obligations run and with the holders from time to time of Other Subordinated Obligations in order to add to the conditions, limitations and restrictions under which any Additional Obligations, Refunding Obligations, Additional Second Lien Obligations or Refunding Obligations may be issued or Parity Debt or Second Lien Parity Debt may be incurred; provided, however, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Other Subordinated Obligations or the incurrence of such Other Subordinated Obligations shall not permit the holders of such obligations to declare the same, nor to instruct such holders' trustee to declare the same, to be immediately due and payable prior to any time that all Obligations, Second Lien Obligations, Parity Debt and Second Lien Parity Debt have become due and payable.

7. Notwithstanding the foregoing provisions of subsections 3 and 4 of this Section 506, in the event the Second Lien Trustee transfers to the Issuer any excess amounts in the Second Lien Debt Service Fund under subsection 3 or the Second Lien Trustee pays to the Issuer any amount under clause (d) of subsection 4, the Issuer shall, before using such moneys for any other purpose, determine that there are no debt service deficiencies relating to (a) (i) MTA Obligations or MTA Parity Debt or (ii) TBTA Obligations or TBTA Parity Debt or (b) TBTA Second Lien Obligations or TBTA Second Lien Parity Debt, in which case the Issuer shall transfer such moneys to the Applicable Trustees thereunder in the following order of priority: first, in such amount as required to cure any deficiencies with respect to TBTA Obligations or TBTA Parity Debt and MTA Obligations or MTA Parity Debt (provided, however, that if the excess amounts shall be insufficient to cure all such deficiencies then such amounts shall be transferred to the Applicable Trustee pro rata (in proportion to the amount of any deficiencies relative to each other) on a pari passu basis), and second, in such amounts as required to cure any such deficiencies with respect to TBTA Second Lien Obligations and TBTA Second Lien Parity Debt.

**Section 507. Funds and Accounts in Existence Prior to Financing Agreement; Deposit and Application of PMT Receipts.**

1. The Issuer has previously created and established in the Special Assistance Fund held by the Issuer the Corporate Transportation Account in accordance with Section 1270-a of the Issuer Act. The Issuer hereby establishes an “ATA Receipts Subaccount” within the Corporate Transportation Account.

2. The Issuer has also previously created and established the MTA Finance Fund held by the Issuer in accordance with Section 1270-h of the Issuer Act. The Issuer hereby establishes a “Mobility Tax Receipts Subaccount” within the MTA Finance Fund.

3. Amounts held at any time by the Issuer in the Mobility Tax Receipts Subaccount and the ATA Receipts Subaccount shall be held in trust separate and apart from all other funds of the Issuer. The Issuer may enter into agreements, including account control agreements, with a financial institution to accept deposits to, and make transfers or withdrawals from, such accounts and subaccounts consistent with the purposes of this Resolution.

4. On the date of the issuance and delivery of the first Series of Obligations under this Resolution, the Issuer shall transfer (i) all amounts constituting Mobility Tax Receipts on deposit in the MTA Finance Fund to the Mobility Tax Receipts Subaccount and (ii) all amounts constituting ATA Receipts on deposit in the Corporate Transportation Account to the ATA Receipts Subaccount. Thereafter, all Mobility Tax Receipts received by the Issuer shall be immediately deposited into the Mobility Tax Receipts Subaccount and all ATA Receipts received by the Issuer shall be immediately deposited by the Issuer into the ATA Receipts Subaccount.

5. In every Month at such time or times as the Issuer in its discretion shall determine (but in no event later than the last Business Day of every Month), the Issuer shall transfer amounts from the Mobility Tax Receipts Subaccount or the ATA Receipts Subaccount or both of such Subaccounts as determined by the Issuer, in the following order of priority and to the extent available for application (including curing any deficiencies in prior deposits or transfers), as follows:

- (a) *first*, an amount equal to the Monthly Senior Lien Deposit Requirement plus an amount equal to the amount required to cure any deficiency in prior transfers made for transfer to the Trustee for deposit in the Senior Lien Debt Service Fund;
- (b) *second*, an amount equal to the Monthly Second Lien Deposit Requirement plus an amount equal to the amount required to cure any deficiency in prior transfers made for transfer to the Second Lien Trustee for deposit in the Second Lien Debt Service Fund;
- (c) *third*, for transfer to the Trustee, the Second Lien Trustee or another Person in accordance with the provisions of any Supplemental Resolution under this Resolution or other authorizing document, the amount necessary for the payment of Other Subordinated Obligations or obligations payable from PMT

Receipts in the priority set forth in the applicable Supplemental Resolution or authorizing document;

- (d) *fourth*, for transfer to another Person, including the Trustee and the Second Lien Trustee, fees and expenses due and payable under the related Obligations, Parity Debt, Second Lien Obligations, Second Lien Parity Debt, Other Subordinated Obligations, this Resolution and any Supplemental Resolution or authorizing document, to the extent payable from PMT Receipts in the priority set forth in the applicable authorizing document; and
- (e) *fifth*, available for transfer to the Issuer or expenditure by the Issuer, on any date in the then current Month after the date the amounts actually transferred in accordance with subparagraphs (a) through (d) above equals one hundred percent (100%) of the amounts required to have been so transferred on a cumulative basis as of the end of the current Month, any PMT Receipts and investment income, if any, on deposit in the Mobility Tax Receipts Subaccount and the ATA Receipts Subaccount free and clear of any lien, pledge or claim of this Resolution, to be applied by MTA as provided in the MTA Act.

6. For purposes of calculating the amount of the deposits relating to (i) the Senior Lien Debt Service Fund, Principal Installments shall not include amounts that an Authorized Officer has notified the Trustee are to be paid from sources other than PMT Receipts pledged hereunder, nor shall Accrued Debt Service include any amounts that, as certified by an Authorized Officer, have been set aside hereunder or otherwise in trust for the payment thereof and (ii) the Second Lien Debt Service Fund, Second Lien Obligation Principal Installments shall not include amounts that an Authorized Officer has notified the Second Lien Trustee are to be paid from sources other than PMT Receipts pledged hereunder, nor shall Accrued Second Lien Debt Service include any amounts that, as certified by an Authorized Officer have been set aside hereunder or otherwise in trust for the payment thereof.

7. If, after the date or dates during the Month the MTA elects to make the transfers described above, (i) there continues to be a deficiency in the cumulative amounts required to be transferred and (ii) MTA receives additional PMT Receipts later in the then current Month, then MTA will apply those additional PMT Receipts as soon as practicable (but no later than the last Business Day of the then current Month) in the same priority as set forth above to cure such deficiencies to the maximum extent possible.

8. If on the Business Day that is no later than two Business Days preceding any Debt Service Payment Date, the Trustee notifies the MTA that it has insufficient funds on deposit to pay Debt Service on Obligations or Parity Debt or Second Lien Obligations or Second Lien Parity Debt on the next succeeding Debt Service Payment Date, the MTA shall transfer, to the extent moneys are available, any and all Mobility Tax Receipts and/or ATA Receipts on deposit in the Mobility Tax Receipts Subaccount and the ATA Receipts Subaccount, respectively, or from the Obligations Proceeds Fund and each Account and Subaccount therein as permitted by Section 503(3) hereof or from the Second Lien Obligations Proceeds Fund and each Account and Subaccount therein as permitted by Section 504(3) hereof, in the amount necessary to cure such

deficiency and shall apply such amount in accordance with the preceding paragraph in the priority set forth therein; provided, however, that no such transfer shall be made to the Second Lien Trustee if there is a deficiency that has not been cured in the amounts transferred for the payment of Senior Lien Debt Service.

9. Moneys on deposit in the Mobility Tax Receipts Subaccount and the ATA Receipts Subaccount may be invested only in Investment Securities. Investment income on moneys in any Subaccount shall be credited to such Subaccount.

10. On the date of issuance of the first Obligations hereunder, the Issuer shall deliver to the Trustee and the Second Lien Trustee a written certificate of an Authorized Officer of the MTA setting forth a report relating to the Obligations and Second Lien Obligations (the "MTA Annual Deposit Report") detailing for the current and the following Debt Service Year (a) the Monthly Senior Lien Deposit Requirement, (b) the Monthly Second Lien Deposit Requirement, (c) the Senior Lien Debt Service Fund Requirement, (d) the Second Lien Debt Service Fund Requirement, (e) any other uses of the PMT Receipts for the purposes set forth in this Resolution, and (f) any other information requested by the Trustee or the Second Lien Trustee for the purposes of performing their respective obligations under this Resolution. On or prior to the tenth (10th) Business Day before the beginning of each Debt Service Year, the Issuer shall send to the Trustee and the Second Lien Trustee an updated MTA Annual Deposit Report. The MTA Annual Deposit Report shall be amended from time to time in conjunction with the issuance of additional Obligations, Parity Debt, Second Lien Obligations or Second Lien Parity Debt, the refunding of any such obligations or the incurrence of other costs or fees required by this Resolution, and may be amended from time to time at the discretion of the Issuer, with a copy thereof sent to the Trustee and the Second Lien Trustee, all with the intention of keeping the Trustee and the Second Lien Trustee timely informed of the deposits and transfers of amounts on deposit in the Mobility Tax Receipts Subaccount and the ATA Receipts Subaccount.

11. Upon the execution and delivery of the Financing Agreement and in accordance with paragraph 5 of Section 103 hereof, the provisions of this Section 507 may be superseded by additional or replacement provisions relating to the same Funds and Accounts.

## **ARTICLE VI PARTICULAR COVENANTS OF THE ISSUER**

The Issuer covenants and agrees as follows:

### **Section 601. Power to Issue Obligations and Effect Pledge of Obligations Trust Estate.**

1. The Issuer is duly authorized under all applicable laws to create and issue the Obligations, adopt the Resolution and pledge the Obligations Trust Estate in the manner and to the extent provided in the Resolution. The Obligations Trust Estate is and shall 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 Resolution, and all corporate action on the part of the Issuer to that end has been and will be duly and validly taken. The Obligations and the provisions of the Resolution are and shall be the legally valid and binding special obligations of the Issuer

enforceable in accordance with their terms and the terms of the Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Obligations Trust Estate and all the rights of the Owners of Obligations under the Resolution against all claims and demands of all Persons whomsoever.

2. Until the pledge created in subsection 1 of Section 501 of the Resolution shall be discharged and satisfied as provided in Section A-901 of Annex A, the Issuer shall not issue any bonds or other evidences of indebtedness, other than the Obligations and Parity Debt, secured by an equal or prior pledge of the payments from the PMT Receipts being made under Section 507 hereof or the Financing Agreement, as applicable, or the Obligations Trust Estate, nor create or cause to be created any equal or prior pledge of, or lien, charge or encumbrance on, any of the payments from the Mobility Tax Receipts or the ATA Receipts being made under Section 507 hereof or the Financing Agreement, as applicable, or the items comprising the Obligations Trust Estate; *provided, however*, that nothing contained in the Resolution shall prevent the Issuer from at any time incurring any Parity Debt in accordance with Section A-201 of Annex A and Section C-201 of Annex C or issuing Obligation Anticipation Notes secured as provided in Section A-203 of Annex A, Second Lien Obligations in accordance with Section 203 hereof, Second Lien Parity Debt in accordance with Section B-202 of Annex B and Section C-203 of Annex C, or Second Lien Obligation Anticipation Notes secured as provided in Section B-203 of Annex B, and *provided, further however*, that nothing shall prevent TBTA from issuing TBTA PMT Senior Lien Indebtedness if, when and to the extent authorized under the TBTA PMT Resolution which shall be secured on a *pari passu* basis with all right, title and interest of the MTA in and to the Financing Agreement and the receipt of amounts payable thereunder for the benefit of MTA Obligations and MTA Parity Debt.

### **Section 602. Compliance with and Enforcement of the Financing Agreement.**

The Issuer shall, at all times, use its best efforts to comply with its obligations under the Financing Agreement, as set forth therein including, without limitation, the obligation to make all transfers and pay all payments payable thereunder, as the same shall become due and payable and to comply with all covenants contained therein, and to comply with any directions of TBTA or the Applicable Trustee (as defined in the Financing Agreement) with respect to the enforcement of the Financing Agreement; provided, however, that the Issuer may delay, defer or waive enforcement of one or more provisions of said Financing Agreement (other than provisions requiring the payment of moneys to any Fund or Account established hereunder), if the Issuer determines such delay, deferment or waiver will not materially adversely affect the right, security and interest of the Owners of Obligations and the Parity Debt and the Second Lien Obligations and the Second Lien Parity Debt, as applicable.

### **Section 603. Amendments to the Financing Agreement.**

1. (a) The Issuer shall not alter, change, modify or amend any provision of the Financing Agreement so as to affect adversely in a material way (i) the interest of all of the Senior Lien Parity Owners without the prior written consent of the Senior Lien Parity Owners of at least a majority in aggregate principal amount of the Obligations then Outstanding under this Resolution and the TBTA PMT Resolution, or (ii) in case less than all of such Obligations then Outstanding are affected by the alteration, change, modification or amendment, the Senior Lien

Parity Owners of not less than a majority in aggregate principal amount of such Obligations so affected then Outstanding; provided, however, that if such alteration, change, modification or amendment will, by its terms, not take effect so long as any such Obligations of any specified maturity remain Outstanding, the consent of the Senior Lien Parity Owners of such Obligations shall not be required, and such Obligations shall not be deemed to be Outstanding for the purposes of any calculation of Outstanding Obligations under this Section; and provided further, that no such alteration, change, modification or amendment shall decrease the amount of any payment required to be made under the Financing Agreement or extend the time of payment thereof. The Financing Agreement may be altered, changed, modified or amended in a manner that will not adversely affect in a material way the Senior Lien Parity Owners of the Outstanding Obligations without the consent of the Senior Lien Parity Owners of such Outstanding Obligations. For the purposes of this paragraph (a) of subsection 1 of Section 603, Obligations under this Resolution shall be deemed to be affected by an alteration, change, modification or amendment of the Financing Agreement if the same adversely affects or diminishes in a material way the rights of the Senior Lien Parity Owners of such Obligations. The Trustee under this Resolution and the Trustee under the TBTA PMT Resolution may, in their discretion, determine whether or not, in accordance with the foregoing powers of alteration, change, modification or amendment, any particular Obligations would be affected by any alteration, change, modification or amendment of the Financing Agreement. In any event, the Issuer shall not consent to any material adverse alteration, change, modification or amendment to the Financing Agreement without the consent of such Trustee.

(b) If any alteration, change, modification or amendment to the Financing Agreement would adversely affect in a material way the interests of all or a portion of the Second Lien Parity Owners, then the Issuer shall not alter, change, modify or amend any provision of the Financing Agreement without the prior written consent of the Second Lien Parity Owners of at least a majority in aggregate principal amount of the Second Lien Obligations then Outstanding affected by alteration, change, modification or amendment in addition to obtaining the consent of the Senior Lien Parity Owners required by clause (i) of paragraph (a) of subsection 1 of this Section 603 to the extent applicable; provided, however, that if such alteration, change, modification or amendment will, by its terms, not take effect so long as any such Second Lien Obligations of any specified maturity remain Outstanding, the consent of the Second Lien Parity Owners of such Second Lien Obligations shall not be required, and such Second Lien Obligations shall not be deemed to be Outstanding for the purposes of any calculation of Outstanding Second Lien Obligations under this Section. The Financing Agreement may be altered, changed, modified or amended in a manner that will not adversely affect in a material way the Second Lien Parity Owners of the Outstanding Second Lien Obligations without the consent of the Second Lien Parity Owners of such Outstanding Second Lien Obligations. For the purposes of this paragraph (b) of subsection 1 of Section 603, Second Lien Obligations shall be deemed to be affected by an alteration, change, modification or amendment of the Financing Agreement if the same adversely affects or diminishes in a material way the rights of the Second Lien Parity Owners of such Obligations. The Second Lien Trustee under this Resolution and the Second Lien Trustee under the TBTA PMT Resolution may, in their discretion, determine whether or not, in accordance with the foregoing powers of alteration, change, modification or amendment, any particular such Second Lien Obligations would be affected by any alteration, change, modification or amendment of the Financing Agreement. In any event, the Issuer shall

not consent to any material adverse alteration, change, modification or amendment to the Financing Agreement without the consent of such Second Lien Trustee.

2. Obligations or Second Lien Obligations owned or held by or for the account of the Issuer or any Related Entity shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Obligations or Second Lien Obligations provided for in this Section 603 and the Issuer shall not be entitled with respect to such Obligations or Second Lien Obligations to give any consent or take any other action provided for in this Section 603. At the time of any consent or other action taken under this Section 603, the Issuer shall furnish the Trustee and/or the Second Lien Trustee, as applicable, a certificate of an Authorized Officer of the Issuer, upon which the Trustee and/or Second Lien Trustee may rely, describing all Obligations and Second Lien Obligations so to be excluded.

3. Consents under this Section 603 shall be obtained in the same manner as modifications and amendments under Article C-VI of Annex C.

**Section 604. Agreement of the State; Limited Waiver by Owners.** In accordance with Section 1271 of the Issuer Act, the Issuer does hereby include the pledge and agreement of the State with the Owners of the Obligations and Second Lien Owners of Second Lien Obligations that the State will not limit or alter the denial of authority under subdivision 9 of Section 1269 of the Issuer Act, or the rights vested in the Issuer by the Issuer Act to fulfill the terms of any agreement made with such Owners and Second Lien Owners, or in any way impair the rights and remedies of such Owners and Second Lien Owners until such agreements, bonds, notes and obligations with such Owners and Second Lien Owners, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses for which the Issuer is liable in connection with any action or proceeding by or on behalf of such Owners and Second Lien Owners, are fully met and discharged; provided, however, nothing contained in this Section or elsewhere in the Resolution shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes or fees producing revenues for deposit by the MTA in the Mobility Tax Receipts Subaccount of the MTA Finance Fund and/or the ATA Receipts Subaccount of the Corporate Transportation Account of the MTA Special Assistance Fund, or, if applicable, the appropriations relating thereto.

**Section 605. Power to Issue Second Lien Obligations and Effect Pledge of Second Lien Obligations Trust Estate.**

1. The Issuer is duly authorized under all applicable laws to create and issue the Second Lien Obligations, adopt the Resolution and pledge the Second Lien Obligations Trust Estate in the manner and to the extent provided in the Resolution. The Second Lien Obligations Trust Estate, except to the extent provided in Section 501 and 601, is and shall 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 Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken. The Second Lien Obligations and the provisions of the Resolution are and shall be the legally valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Second

Lien Obligations Trust Estate and all the rights of the Second Lien Owners under the Resolution against all claims and demands of all Persons whomsoever. Notwithstanding the foregoing, nothing shall prohibit the Issuer from creating and issuing the Obligations and Parity Debt, and pledging the separate lien on the Obligations Trust Estate securing Obligations and Parity Debt all as set forth herein, which Obligations and Parity Debt are secured on a superior basis with respect to amounts payable under Section 507 hereof or the Financing Agreement, as applicable.

2. Until the pledge created in subsection 5 of Section 501 of the Resolution shall be discharged and satisfied as provided in Section B-901 of Annex B, the Issuer shall not issue any bonds or other evidences of indebtedness, other than the Obligations, Parity Debt, Second Lien Obligations and Second Lien Parity Debt secured by an equal or prior pledge of the payments from the Mobility Tax Receipts or the ATA Receipts being made under Section 507 hereof or the Financing Agreement, as applicable, or the Second Lien Obligations Trust Estate, nor create or cause to be created any equal or prior pledge of, or lien, charge or encumbrance on, any of the payments from the Mobility Tax Receipts or the ATA Receipts being made under Section 507 hereof or the Financing Agreement, as applicable, or the items comprising the Second Lien Obligations Trust Estate; *provided, however, that* nothing contained in the Resolution shall prevent the Issuer from at any time incurring any Obligations or Parity Debt in accordance with Section A-201 of Annex A and C-201 of Annex C or issuing Obligation Anticipation Notes secured as provided in Section A-203 of Annex A, Second Lien Obligations in accordance with Section 203 hereof, Second Lien Parity Debt in accordance with Section B-202 of Annex B and C-203 of Annex C, or Second Lien Obligation Anticipation Notes secured as provided in Section B-203 of Annex B; and *provided, further however,* that nothing shall prevent TBTA from issuing TBTA PMT Second Lien Indebtedness if, when and to the extent authorized under the TBTA PMT Resolution which shall be secured on a *pari passu* basis with all right, title and interest of the MTA in and to the Financing Agreement and the receipt of amounts payable thereunder for the benefit of MTA Second Lien Obligations and MTA Second Lien Parity Debt.

**Section 606. Creation of Liens, Issuance of Subordinated Indebtedness, Subordinated Contract Obligations and Other Debt.** The Issuer shall not issue any bonds or other evidences of indebtedness, other than the Obligations and Parity Debt and the Second Lien Obligations and Second Lien Parity Debt as provided herein, secured by a pledge of the Obligations Trust Estate and the Second Lien Obligations Trust Estate, respectively, and shall not create or cause to be created any lien or charge on the Obligations Trust Estate or the Second Lien Obligations Trust Estate, except to the extent provided in Section 501; provided, however, that the Issuer may, at any time, or from time to time, incur Subordinated Indebtedness or enter into Subordinated Contract Obligations payable out of and which may be secured by a pledge of, such amounts as may from time to time be available for the purpose of the payment thereof in accordance with Section 507 hereof or the Financing Agreement, as applicable, and such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution as security for payment of the Obligations and Parity Debt and Second Lien Obligations and Second Lien Parity Debt; and provided further that nothing contained in the Resolution shall prevent the Issuer from issuing (i) bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution to finance Other Subordinated Obligations, or (ii) other bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution payable from, among other sources, money released from the lien of this Resolution pursuant to Section 507 hereof or the Financing Agreement, as applicable.

**Section 607. PMT Receipts.** The Issuer covenants and agrees that it will take all necessary actions to request the transfer of PMT Receipts when needed to pay debt service on Obligations and Second Lien Obligations and further covenants and agrees that all such PMT Receipts shall be and applied strictly in accordance with Section 507 hereof or the Financing Agreement, as applicable, and the MTA Act.

**Section 608. Compliance with Laws.** The Issuer covenants and agrees to take all actions on its part and to comply with the requirements of all laws necessary for the Issuer to receive any PMT Receipts to the extent that PMT Receipts are subject to appropriation.

**ARTICLE VII  
MISCELLANEOUS; REMEDIES**

**Section 701. Authority to Deliver this Resolution.** An Authorized Officer of the Issuer is hereby authorized and directed to deliver this Resolution with such changes, insertions, and omissions as may be approved by such Authorized Officer and as may be required and approved by such Authorized Officer prior to the issuance of the initial Series of Obligations authenticated and delivered hereunder; such delivery being conclusive evidence of such approvals; and provided, however, that such changes, insertions, and omissions shall be necessary to effectuate the intent of this Resolution.

**Section 702. Appointment of Receiver Abrogated.** The right of the Trustee to the appointment of a receiver as provided in Section 1273 of the Issuer Act is hereby abrogated.

**ANNEX A**

**STANDARD RESOLUTION PROVISIONS**

**APPLICABLE TO MTA AND TBTA PMT OBLIGATIONS AND PARITY DEBT**

**ANNEX B**

**STANDARD RESOLUTION PROVISIONS APPLICABLE TO MTA AND TBTA  
SECOND LIEN PMT OBLIGATIONS AND SECOND LIEN PARITY DEBT**

**ANNEX C**

**ADDITIONAL RESOLUTION PROVISIONS APPLICABLE TO MTA AND TBTA  
SENIOR LIEN PMT OBLIGATIONS AND SECOND LIEN PMT OBLIGATIONS**

**EXHIBIT ONE**

**FORM OF OBLIGATIONS**

**THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON.**

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

*As provided in the Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Resolution to the contrary, a portion of the principal amount of this Bond may be paid or redeemed without surrender hereof to the Paying Agent. DTC or a nominee, transferee or assignee of DTC of this Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Resolution.*

**METROPOLITAN TRANSPORTATION AUTHORITY  
PAYROLL MOBILITY TAX BOND,  
SERIES \_\_\_\_\_**

No. \_\_\_\_\_

\$

**Interest Rate**

**Maturity Date**

**Dated Date**

**CUSIP**

Registered Owner: Cede & Co.

Principal Amount: \_\_\_\_\_ Dollars

METROPOLITAN TRANSPORTATION AUTHORITY (herein called the “MTA”), a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner stated above, or registered

assigns, on the Maturity Date set forth above, but solely from the Obligations Trust Estate defined below, upon presentation and surrender of this Bond at the office or agency of MTA designated for such payment in the Borough of Manhattan, City and State of New York, or, at the option of the Registered Owner hereof, at any other office or agency of MTA designated by the MTA for such payment, the Principal Amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the Registered Owner hereof interest on such Principal Amount, such payment to be made by \_\_\_\_\_, as Paying Agent, from the Dated Date set forth above or such later date to which interest has been paid, at the Interest Rate per annum set forth above, payable on \_\_\_\_\_ and semi-annually thereafter on the \_\_\_\_\_ day of \_\_\_\_\_ and \_\_\_\_\_ in each year, until the MTA's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on the Series \_\_\_\_\_ Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest will be paid by check mailed on the interest payment date by the Paying Agent to the Registered Owner at his address as it appears on the registration records or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series \_\_\_\_\_ Bonds, by wire transfer in immediately available funds on each interest payment date to such Owner, provided such Owner has notified the Trustee (as hereinafter defined) in writing of such Owner's wire transfer address (which shall be in the continental United States) at least 15 days prior to the relevant payment date. *In the event that any payment date is not a business day, payment will be made on the next business day with the same force and effect as if made on the nominal date provided in the Resolution and no interest shall accrue during the intervening period with respect to any payment so deferred.*

This Bond is one of a duly authorized issue of obligations of the MTA designated as its "Payroll Mobility Tax Obligations" (herein called the "Bonds") issued under and pursuant to the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the "MTA Act"), and under and pursuant to a resolution of the MTA adopted on October \_\_, 2020, entitled "Payroll Mobility Tax Obligation Resolution", as supplemented. Said resolution, as supplemented and amended, is herein called the "Resolution". This Bond is one of a series of Bonds designated as "Payroll Mobility Tax Bonds, Series \_\_\_\_\_" (herein called the "Series \_\_\_\_\_ Bonds"), issued in the aggregate principal amount of \$\_\_\_\_\_ under said Resolution. All capitalized terms used but not otherwise defined have the respective meanings ascribed by the Resolution.

*Copies of the Resolution are on file at the office of the MTA and at the principal corporate trust office of \_\_\_\_\_, New York, New York, as Trustee under the Resolution, or its successor as Trustee (herein called the "Trustee"), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the MTA Act is hereby made for a complete description of the pledge and covenants securing the Series \_\_\_\_\_ Bonds, the nature, extent and manner of enforcement of, and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series \_\_\_\_\_ Bonds with respect thereto, and the terms and conditions upon which the Bonds are issued and may be issued thereunder.*

This Series \_\_\_\_ Bond is a special obligation of MTA, secured by a pledge, subject only to the provisions of the Resolution and the MTA PMT Resolution referred to below permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the MTA PMT Resolution, of all right, title and interest of the MTA in the “Obligations Trust Estate”, being (i) the proceeds of the sale of the Obligations; (ii) all right, title and interest of the Issuer in and to the Financing Agreement, if applicable, and the Issuer’s pro rata share of the payments of ATA Receipts and the Mobility Tax Receipts from the funds and accounts established under the Resolution or the Financing Agreement, as applicable, into which the ATA Receipts and the Mobility Tax Receipts are to be deposited, (iii) all Funds, Accounts and Subaccounts established by the Resolution (other than the Second Lien Obligations Proceeds Fund and the Second Lien Debt Service Fund and subject to specified provisions of the Resolution) including the investments, if any, thereof, and (iv) certain funds, moneys and securities and any all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the Bonds as provided in the Resolution.

To the extent provided in the Resolution, Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Resolution and the MTA Act, and all Bonds issued and to be issued under the Resolution are and shall be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

The Resolution provides for the adoption by the Triborough Bridge and Tunnel Authority (“TBTA”) in the future of a resolution (the “TBTA PMT Resolution”) that authorizes the issuance of bonds, notes and other obligations secured by all right, title and interest of TBTA in, to and under the Resolution or the Financing Agreement, as applicable, and TBTA’s right to payment of the ATA Receipts and the Mobility Tax Receipts and the funds and accounts established under the Resolution or the Financing Agreement, as applicable, into which the ATA Receipts and the Mobility Tax Receipts are to be deposited on parity with the Bonds. The Bonds and the obligations issued by TBTA under the TBTA PMT Resolution are collectively referred to herein as the “Parity Bonds”.

The events specified in the Resolution as such shall constitute Obligations Event of Default and the Trustee and the Owners shall have the rights and remedies provided by the Resolution. Neither the Trustee nor the Owners of the Series \_\_ Bonds shall have the right to declare all of the Bonds to be immediately due and payable in the event of a default with respect to the Resolution or any of the Parity Bonds.

To the extent provided in the Resolution, Parity Debt, secured on a parity with the Bonds with respect to all right, title and interest of the MTA in the Obligations Trust Estate may be issued or entered into by the MTA. The aggregate principal amount of Parity Debt which may be issued or entered into under the Resolution is not limited except as provided in the Resolution and the MTA Act. Similarly, to the extent provided in the TBTA PMT Resolution, TBTA may issue parity debt on a parity with obligations issued under the TBTA PMT Resolution that is not limited except as provided in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, modification or amendment of the Resolution and of the rights and obligations of the MTA and of the Owners of the Bonds may be made by a Supplemental Resolution, in certain instances without the written consent of the Owners, of the Bonds. Reference is made to the Resolution for the terms and provisions thereof relating to amendments and supplements.

The Series \_\_\_\_\_ Bonds are issued by means of a book-entry-only system, with no physical distribution of bond certificates to be made except as provided in the Resolution. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The MTA and the Trustee will recognize the Securities Depository Nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including payments of principal of and Redemption Price and interest on this Bond, notices and voting. In the event the Series \_\_\_\_\_ Bonds are no longer held in book-entry-only form, the Series \_\_\_\_\_ Bonds would be issuable in the form of fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Series \_\_\_\_\_ Bonds are subject to redemption as provided in the Certificate of Determination relating to the Series \_\_\_\_\_ Bonds.

[Provisions relating to conditional redemption or mandatory tender in lieu of optional redemption to be added if applicable.]

Notice of redemption shall be given not less than twenty (20) days before the redemption date, to the Registered Owners of any Series \_\_\_\_\_ Bonds or portions of Series \_\_\_\_\_ Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry records of MTA, and otherwise, all in the manner, and upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been given as aforesaid, then the Series \_\_\_\_\_ Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid up to but not including the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Series \_\_\_\_\_ Bonds or portions thereof shall be paid at the Redemption Price plus interest accrued and unpaid up to but not including the redemption date, and, from and after the redemption date interest on such Series \_\_\_\_\_ Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Any redemption notice or other notices required by the Resolution shall be sent only to the Securities Depository Nominee, initially Cede & Co., as nominee of DTC, and will not be published so long as the Series \_\_\_\_\_ Bonds are held in book-entry-only form.

The MTA Act provides that neither the members of the MTA nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the Series \_\_\_\_\_ Bonds, together with all other indebtedness of the MTA, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

**IN WITNESS WHEREOF, METROPOLITAN TRANSPORTATION AUTHORITY** has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Authorized Officer as of the Dated Date.

**METROPOLITAN TRANSPORTATION  
AUTHORITY**

By: \_\_\_\_\_  
[Authorized Officer]

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the within-mentioned Resolution.

Date of Authentication: \_\_\_\_\_

\_\_\_\_\_, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

[Form of Assignment]

ASSIGNMENT

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

[PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Date: \_\_\_\_\_

In the Presence of:

NOTICE: The signature must be guaranteed by an "eligible guarantor Institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTE: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT TWO**

**FORM OF SECOND LIEN OBLIGATIONS**

**THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON.**

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

*As provided in the Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Resolution to the contrary, a portion of the principal amount of this Bond may be paid or redeemed without surrender hereof to the Paying Agent. DTC or a nominee, transferee or assignee of DTC of this Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Resolution.*

**METROPOLITAN TRANSPORTATION AUTHORITY  
PAYROLL MOBILITY TAX SECOND LIEN BOND,  
SERIES \_\_\_\_\_**

No. \_\_\_\_\_

\$

**Interest Rate**

**Maturity Date**

**Dated Date**

**CUSIP**

Registered Owner: Cede & Co.

Principal Amount: \_\_\_\_\_ Dollars

METROPOLITAN TRANSPORTATION AUTHORITY (herein called the “MTA”), a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner stated above, or registered

assigns, on the Maturity Date set forth above, but solely from the Second Lien Obligations Trust Estate defined below, upon presentation and surrender of this Bond at the office or agency of MTA designated for such payment in the Borough of Manhattan, City and State of New York, or, at the option of the Registered Owner hereof, at any other office or agency of MTA designated by the MTA for such payment, the Principal Amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the Registered Owner hereof interest on such Principal Amount, such payment to be made by \_\_\_\_\_, as Paying Agent, from the Dated Date set forth above or such later date to which interest has been paid, at the Interest Rate per annum set forth above, payable on \_\_\_\_\_ and semi-annually thereafter on the \_\_\_\_\_ day of \_\_\_\_\_ and \_\_\_\_\_ in each year, until the MTA's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on the Series \_\_\_\_\_ Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest will be paid by check mailed on the interest payment date by the Second Lien Paying Agent to the Registered Owner at his address as it appears on the registration records or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series \_\_\_\_\_ Bonds, by wire transfer in immediately available funds on each interest payment date to such Second Lien Owner, provided such Second Lien Owner has notified the Second Lien Trustee (as hereinafter defined) in writing of such Second Lien Owner's wire transfer address (which shall be in the continental United States) at least 15 days prior to the relevant payment date. *In the event that any payment date is not a business day, payment will be made on the next business day with the same force and effect as if made on the nominal date provided in the Resolution and no interest shall accrue during the intervening period with respect to any payment so deferred.*

This Bond is one of a duly authorized issue of obligations of the MTA designated as its "Payroll Mobility Tax Second Lien Obligations" (herein called the "Bonds") issued under and pursuant to the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the "MTA Act"), and under and pursuant to a resolution of the MTA adopted on October \_\_, 2020, entitled "Payroll Mobility Tax Obligation Resolution", as supplemented. Said resolution, as supplemented and amended, is herein called the "Resolution". This Bond is one of a series of Bonds designated as "Payroll Mobility Tax Second Lien Bonds, Series \_\_\_\_\_" (herein called the "Series \_\_\_\_\_ Bonds"), issued in the aggregate principal amount of \$\_\_\_\_\_ under said Resolution. All capitalized terms used but not otherwise defined have the respective meanings ascribed by the Resolution.

*Copies of the Resolution are on file at the office of the MTA and at the principal corporate trust office of \_\_\_\_\_, New York, New York, as Second Lien Trustee under the Resolution, or its successor as Trustee (herein called the "Second Lien Trustee"), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the MTA Act is hereby made for a complete description of the pledge and covenants securing the Series \_\_\_\_\_ Bonds, the nature, extent and manner of enforcement of, and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series \_\_\_\_\_ Bonds with respect thereto, and the terms and conditions upon which Second Lien Bonds are issued and Second Lien Bonds may be issued thereunder.*

This Bond is a special obligation of the MTA, secured by a pledge, subject only to the provisions of the Resolution and the TBTA PMT Resolution referred to below permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the TBTA PMT Resolution, of all right, title and interest of the MTA in the “Second Lien Obligations Trust Estate”, being (i) the proceeds of the sale of the Second Lien Obligations; (ii) all right, title and interest of the Issuer in and to the Financing Agreement, if applicable, and the Issuer’s pro rata share of the payments of ATA Receipts and Mobility Tax Receipts from the funds and accounts established under the Resolution or the Financing Agreement, as applicable, into which the ATA Receipts and the Mobility Tax Receipts are to be deposited, (iii) the Second Lien Obligations Proceeds Fund and the Second Lien Debt Service Fund, including the investments, if any, thereof, and (iv) certain funds, moneys and securities and any all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the Bonds as provided in the Resolution. *Any lien on and pledge of any portion of the Second Lien Obligations Trust Estate securing Second Lien Obligations is, and is hereby expressly declared to be, junior and inferior to the lien on and pledge of the Obligations Trust Estate created in the Resolution for the payment of the Obligations and Parity Debt.*

To the extent provided in the Resolution, the Second Lien Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more series, or subseries, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Second Lien Bonds which may be issued under the Resolution is not limited except as provided in the Resolution and the MTA Act, and all Second Lien Bonds issued and to be issued under the Resolution are and shall be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

The Resolution provides for the adoption by the Triborough Bridge and Tunnel Authority (“TBTA”) in the future of a resolution (the “TBTA PMT Resolution”) that authorizes the issuance of bonds, notes and other obligations secured by all right, title and interest of TBTA in, to and under the Resolution or the Financing Agreement, as applicable, and TBTA’s right to payment of the ATA Receipts and the Mobility Tax Receipts and the funds and accounts established under the Resolution or the Financing Agreement, as applicable, into which the ATA Receipts and the Mobility Tax Receipts are to be deposited on parity with the Bonds. The Bonds and the obligations issued by TBTA under the TBTA PMT Resolution are collectively referred to herein as the “Parity Bonds”.

The events specified in the Resolution as such shall constitute Second Lien Obligations Events of Default and the Second Lien Trustee and the Second Lien Owners shall have the rights and remedies provided by the Resolution. Neither the Second Lien Trustee nor the Second Lien Owners of the Bonds shall have the right to declare all of the Parity Bonds to be immediately due and payable in the event of a default with respect to the Resolution or any of the Bonds.

To the extent provided in the Resolution, Second Lien Parity Debt, secured on a parity with the Bonds with respect to all right, title and interest of the MTA in the Second Lien Obligations Trust Estate may be issued or entered into by MTA. The aggregate principal amount of Second Lien Parity Debt which may be issued or entered into under the Resolution is not

limited except as provided in the Resolution and the MTA Act. Similarly, to the extent provided in the TBTA PMT Resolution, TBTA may issue parity debt on a parity with obligations issued under the TBTA PMT Resolution that is not limited except as provided in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, modification or amendment of the Resolution and of the rights and obligations of the MTA and of the Second Lien Owners of the Bonds may be made by a Supplemental Resolution, in certain instances without the written consent of the Second Lien Owners, of the Bonds. Reference is made to the Resolution for the terms and provisions thereof relating to amendments and supplements.

The Series \_\_\_\_\_ Bonds are issued by means of a book-entry-only system, with no physical distribution of bond certificates to be made except as provided in the Resolution. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The MTA and the Trustee will recognize the Securities Depository Nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including payments of principal of and Redemption Price and interest on this Bond, notices and voting. In the event the Series \_\_\_\_\_ Bonds are no longer held in book-entry-only form, the Series \_\_\_\_\_ Bonds would be issuable in the form of fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Series \_\_\_\_\_ Bonds are subject to redemption as provided in the Certificate of Determination relating to the Series \_\_\_\_\_ Bonds.

[Provisions relating to conditional redemption or mandatory tender in lieu of optional redemption to be added if applicable.]

This Bond is payable upon redemption at the above mentioned office or agency of the MTA. So long as DTC is the securities depository for the Series \_\_\_\_\_ Bonds, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Series \_\_\_\_\_ Bonds are not held in book-entry-only form, then the Trustee must mail redemption notices directly to bondholders within the same time frame. Any redemption of the Series \_\_\_\_\_ Bonds is valid and effective even if DTC's procedures for notice should fail. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. All redemptions are final - even if beneficial owners did not receive their notice, and even if that notice had a defect.

The MTA Act provides that neither the members of the MTA nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the

Series \_\_\_\_\_ Bonds, together with all other indebtedness of the MTA, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Second Lien Trustee of the Second Lien Trustee's Certificate of Authentication hereon.

**IN WITNESS WHEREOF, METROPOLITAN TRANSPORTATION AUTHORITY** has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Authorized Officer as of the Dated Date.

**METROPOLITAN TRANSPORTATION  
AUTHORITY**

By: \_\_\_\_\_  
[Authorized Officer]

SECOND LIEN TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Resolution.

Date of Authentication: \_\_\_\_\_

\_\_\_\_\_,  
as Second Lien Trustee

By: \_\_\_\_\_  
Authorized Signatory

[Form of Assignment]

ASSIGNMENT

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

[PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Date: \_\_\_\_\_

In the Presence of:

NOTICE: The signature must be guaranteed by an "eligible guarantor Institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTE: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
\_\_\_\_\_

**ANNEX A**

**STANDARD RESOLUTION PROVISIONS  
APPLICABLE TO MTA AND TBTA  
PMT OBLIGATIONS AND PARITY DEBT**

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## STANDARD RESOLUTION PROVISIONS

### FOR MTA AND TBTA PAYROLL MOBILITY TAX OBLIGATION RESOLUTION

#### ARTICLE A-I.

#### DEFINITIONS AND STATUTORY AUTHORITY

**Section A-101. Definitions.** Capitalized terms used but not otherwise defined in this Annex A shall have the meanings set forth in the Resolution to which this Annex A is appended. The following terms shall, for all purposes herein and (except as the context may otherwise require) in the Resolution to which this Annex A is appended, have the following meanings:

**Account** or **Accounts** shall mean each account or all of the accounts established in Article V of the Resolution.

**Accreted Value** shall mean with respect to any Capital Appreciation Obligations (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Obligations 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 360-day year of twelve 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

**Accrued Debt Service** shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued and unpaid Debt Service with respect to all Obligations and Parity Debt, calculating the accrued Debt Service with respect to each obligation at an amount equal to the sum of (i) as estimated by an Authorized Officer, interest on the Obligations and interest components of Parity Debt accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Obligations and Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of "Debt Service") to the end of such calendar month. For purposes of calculating Senior Debt Service Fund deposits, Principal Installments shall not include amounts that an Authorized Officer has notified the Trustee are to be paid from sources other than Mobility Tax Receipts and ATA Receipts, nor shall Accrued Debt Service include any amounts that, as certified by an Authorized Officer, have been set aside hereunder or otherwise in trust for the payment thereof.

**Amortized Value**, when used with respect to Authorized Investments purchased at a premium above or a discount below par, shall mean the value of such Authorized Investments computed by using an industry standard constant yield method selected by an Authorized Officer of the Issuer.

**Appreciated Value** shall mean with respect to any Deferred Income Obligations (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Deferred Income Obligations, (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 and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of twelve 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

**Authorized Investments** shall mean and include any of the following, to the extent the same are legal for investment of the Issuer's funds:

- (i) obligations of the State or the United States government;
- (ii) obligations the timely payment of the principal and interest on which are unconditionally guaranteed by the State or the United States government;
- (iii) certificates of deposit of banks or trust companies in the State, secured, if the Issuer shall so require, by obligations of the United States or of the State of a market value equal at all times to the amount of the deposit;
- (iv) banker's acceptances with a maturity of 90 days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest Rating Category of each of the Rating Agencies that then rates such banker's acceptances;
- (v) obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within 270 days, provided that such obligations are rated in the highest Rating Category of each of the Rating Agencies that then rates such obligations;
- (vi) notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States Postal Service, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, the Federal Farm Credit System, or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, ratings in the highest Rating Category of each of the Rating Agencies that then rates such agency or its obligations;
- (vii) (A) general obligation bonds and notes of any state other than the State, provided that such bonds and notes are rated in the highest Rating Category of each of the Rating Agencies that then rates such bonds and notes, and (B) bonds and notes of any

county, town, city, village, fire district or school district of the State, provided that such bonds and notes are rated in either of the 2 highest Rating Categories of each of the Rating Agencies that then rates such bonds and notes;

(viii) mutual funds registered with the United States Securities and Exchange Commission, whose investments are limited to obligations of the State described in clause (i) above, obligations the principal and interest of which are guaranteed by the State as described in clause (ii) above, and those securities described in clause (vii) above, and that are rated in the highest Rating Category of each of the Rating Agencies that then rates such funds;

(ix) repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (i), (ii) or (vi) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a Bank as defined in clause (i) or (ii) of the definition thereof, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed; and

(x) any other investment in which the Issuer is authorized from time to time to invest under applicable law with respect to which an Authorized Officer has, on or before the date thereof, delivered to the Trustee (A) a certificate to the Trustee designating the additional investment as an Authorized Investment and (B) Rating Confirmation.

In addition to the foregoing, in the case of any money held in reserve and sinking funds “Authorized Investments” shall include any other securities in which the trustee or trustees of any public retirement system or pension fund has the power to invest the money thereof pursuant to Article four-a of the Retirement and Social Security Law of the State, each such reserve and sinking fund being treated as a separate fund for the purposes of Article four-a of the Retirement and Social Security Law of the State.

Any investment in any of the foregoing obligations may be made in the form of an entry made on the records of the issuer of the particular obligations or of a recognized securities depository.

**Authorized Officer** shall mean (i) the Chairman and the Vice Chairman, (ii) the Executive Director, the Comptroller, the Chief Financial Officer, the Secretary and any Assistant Secretary of the Issuer, (iii) the Chief Financial Officer, the Director of Finance, and the Director of Budget and Financial Management of the MTA, and (iv) any other Person authorized by the Issuer to perform the act or sign the document in question

**Balloon Obligations** shall mean Obligations which have been identified in a Certificate of Determination as a Balloon Obligation. Such Certificate of Determination shall set forth the expected refinancing, including the expected ultimate final maturity and amortization schedule of the refinancing or refinancings of such Balloon Obligation (including successor Balloon Obligations) and the Estimated Average Interest Rate for purposes of determining Calculated Debt Service of such Balloon Obligation.

**Bank** shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or 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.

**Business Day** shall mean any day of the year other than (i) Saturday or Sunday, (ii) any day on which Banks located in New York, New York or the city in which the Principal Office of the Trustee is located are required or authorized by law to remain closed, or (iii) any day on which the New York Stock Exchange is closed.

**Calculated Debt Service** for any period shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt, the sum of Debt Service for such period determined by the Issuer based on the following adjustments:

(1) Interest on Variable Interest Rate Obligations shall be based on the Estimated Average Interest Rate applicable thereto.

(2) Interest on any Obligation or Parity Debt in respect of which the Issuer has entered into a Qualified Swap shall be based on:

(a) the fixed rate or rates of the Qualified Swap if the Issuer has entered into what is generally referred to as a “floating-to-fixed” Qualified Swap (where the Issuer pays a fixed rate and receives a floating rate); or

(b) the lower of (i) the Estimated Average Interest Rate and (ii) the effective capped rate of any Obligation or Parity Debt if the Issuer has entered into a Qualified Swap that is generally referred to as an “interest rate cap” (where the Issuer receives a payment if a variable rate exceeds a certain amount); or

(c) the Estimated Average Interest Rate of the Qualified Swap if the Issuer has entered into either what is generally referred to as a “fixed-to-floating” Qualified Swap (where the Issuer pays a variable rate and receives a fixed rate) or a “floating-to-floating” Qualified Swap (where the Issuer pays a variable rate and receives a different variable rate).

(3) With respect to Put Obligations and Balloon Obligations of a Series, (i) Principal Installments shall be deemed to amortize over a 30-year period from their date of issuance based on substantially level debt service as estimated by the Issuer, and (ii) interest shall be based on the actual interest rate or the Estimated Average Interest Rate, as applicable, or for both (i) and (ii) above as otherwise set forth in a Supplemental Resolution or Certificate of Determination with respect to the issuance of such Obligations.

(4) If the Issuer has irrevocably deposited Authorized Investments or money with the Trustee (or otherwise in trust) for the payment of any portion of Debt Service, the

expected future cash flow from such Authorized Investments and money shall be deducted from Debt Service.

(5) If the Issuer has, at any time, irrevocably called for redemption one or more Series of Obligations, including pursuant to a covenant to apply any portion of the Obligations Trust Estate to redeem Obligations or Parity Debt (which particular Obligations or Parity Debt need not be specifically identified in advance, except as to interest rate and maturity), the Issuer shall take into account such redemption for purposes of determining Calculated Debt Service.

(6) With respect to Parity Reimbursement Obligations, accelerated payments of principal shall only be taken into account if, at the time of calculation, such amounts are payable due to a draw under a credit or liquidity facility.

**Capital Appreciation Obligations** shall mean any Obligations denominated as such and issued as to which interest is payable only at the maturity or prior redemption of such Obligations. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Obligation is redeemed prior to maturity, (ii) computing the principal amount of Obligations held by the registered owner of a Capital Appreciation Obligation in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Capital Appreciation Obligation shall be deemed to be its Accreted Value (which in the case of clause (ii) may be the Accreted Value as of the immediately preceding Valuation Date).

**Certificate of Determination** shall mean a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Obligations, Parity Debt, Credit Facilities, Subordinated Indebtedness or Subordinated Contract Obligations in accordance with the delegation of power to do so under a Supplemental Resolution.

**City** shall mean The City of New York.

**Costs of Issuance** shall mean the costs of the authorization, sale and issuance of a Series of Obligations, Obligation Anticipation Notes, Subordinated Indebtedness, Parity Debt, Subordinated Contract Obligations or other obligations authorized under the Resolution, including with respect to any party to a transaction State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, fees and charges of the Trustee and other Fiduciaries and agents, legal fees and charges, professional consultants' fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Obligations, premiums, fees and charges in order to obtain, renew, extend or terminate Credit Facilities and Qualified Swaps and other financial arrangements, costs and expenses of refunding such Obligations, Obligation Anticipation Notes, Subordinated Indebtedness, Parity Debt, Subordinated Contract Obligations or other obligations authorized under this Resolution, and other costs, charges and fees, including those of the Issuer and any other Related Entities, in connection with the foregoing.

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

**Credit Facility** shall mean any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Issuer and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Obligations, Parity Debt or Obligation Anticipation Notes.

**Debt Service** for any period shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt outstanding, the sum of (i) interest on the Obligations of such Series and the interest components of Parity Debt accruing during such period and (ii) that portion of each Principal Installment for such Obligations and Parity Debt that would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the preceding Principal Installment payment date on Outstanding Obligations and Parity Debt; provided, however, that, unless otherwise set forth in a Supplemental Resolution, no Principal Installment shall be deemed to begin accruing until the later of one year prior to such Principal Installment's due date and the date of issuance or incurrence of the related Obligation or Parity Debt.

**Debt Service Payment Date** shall mean, with respect to any portion of Debt Service, the date on which the Debt Service shall be payable.

**Defeasance Security** shall mean

(i) an Authorized Investment as specified in clause (i) of the definition thereof (other than an obligation of the State), which is not redeemable at the option of the issuer thereof,

(ii) an Authorized Investment as specified in clause (i) (which is an obligation of the State), (ii), (iii), (vi) or (vii) of the definition thereof, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency,

(iii) any depositary receipt issued by a Bank as custodian with respect to any Defeasance Security which is specified in clause (a) above and held by such Bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any such Defeasance Security which is so specified and held, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Defeasance Security or the specific payment of principal or interest evidenced by such depositary receipt,

(iv) any certificate of deposit specified in clause (iii) of the definition of Authorized Investments in Section A-101, including certificates of deposit issued by the Trustee or by a Paying Agent, secured by obligations specified in clause (a) above of a

market value equal at all times to the amount of the deposit, which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency, or

(v) any other Authorized Investment designated in a Supplemental Resolution as a Defeasance Security for purposes of defeasing the Obligations authorized by such Supplemental Resolution, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency.

**Deferred Income Obligation** shall mean any Obligation (A) as to which interest accruing thereon prior to the Interest Commencement Date of such Obligation is (i) compounded on each Valuation Date for such Deferred Income Obligation and (ii) payable only at the maturity or prior redemption of such Obligations and (B) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date succeeding the Interest Commencement Date and periodically thereafter on the dates specified in or determined by Supplemental Resolution. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Obligation is redeemed prior to maturity, (ii) computing the principal amount of Obligations held by the registered owner of a Deferred Income Obligation in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Deferred Income Obligation shall be deemed to be its Appreciated Value (which in the case of clause (ii) may be the Appreciated Value as of the immediately preceding Valuation Date).

**Estimated Average Interest Rate** shall mean, as to any Variable Interest Rate Obligations or Qualified Swap and as of any date of calculation, the average interest rate or rates anticipated to be borne by such Obligations or Qualified Swap, or by the combination of such arrangements, over the period or periods for which such rate or rates are anticipated to be in effect, all as estimated by an Authorized Officer.

**Fiduciary or Fiduciaries** shall mean the Trustee, any Registrar, any Paying Agent, any tender agent or any or all of them, as may be appropriate, or any Person appointed to act as a Fiduciary as provided in the Resolution.

**Final Judgment** shall mean any judgment or order of any court of competent jurisdiction, or of any arbitrator or panel of arbitrators, as to which all appeals have been exhausted.

**Fund or Funds** shall mean each fund or all of the funds established in or pursuant to Article V of the Resolution.

**Interest Commencement Date** shall mean, with respect to any particular Deferred Income Obligation, the date determined by Supplemental Resolution after which interest accruing on such Obligation shall be payable on the first interest payment date succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Resolution.

**Issuer Act** shall mean the MTA Act in the event that the MTA is defined in the Resolution as the Issuer or the TBTA Act in the event that the TBTA is defined in the Resolution as the Issuer,

together with any other applicable law of the State authorizing the issuance of the related Obligations by the Issuer or expressly limiting the issuance thereof or governing the security therefor.

**LIRR** shall mean The Long Island Rail Road Company and any successor thereto.

**MaBSTOA** shall mean the Manhattan and Bronx Surface Transit Operating Authority and any successor thereto.

**MNCRC** shall mean the Metro-North Commuter Railroad Company and any successor thereto.

**MTA** shall mean the Metropolitan Transportation Authority, the corporation organized and existing under the MTA Act, and any successor thereto.

**MTA Act** shall mean the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, as from time to time amended.

**MTA Bus** shall mean MTA Bus Company and any successor thereto.

**Obligation Anticipation Notes** shall mean any such notes issued and delivered pursuant to Section A-203, except to the extent (but only to the extent) that all or any portion of such notes either are not payable, or are anticipated by the Issuer not to be paid, from the proceeds of the Obligations in anticipation of which such notes are being issued.

**Opinion of Bond Counsel** shall mean an opinion signed by Nixon Peabody LLP, D. Seaton and Associates, P.A., P.C., Orrick, Herrington & Sutcliffe LLP, and Bryant Rabbino LLP, or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

**Outstanding**, when used with reference to Obligations or Obligations of a Series, shall mean, as of any date, Obligations or Obligations of such Series theretofore or thereupon to be delivered under the Resolution except:

- (i) Any Obligations canceled at or prior to such date;
- (ii) Obligations the principal and Redemption Price, if any, of and interest on which have been paid in accordance with the terms thereof;
- (iii) Obligations in lieu of or in substitution for which other Obligations shall have been delivered pursuant to Article A-III or Section A-406 or Section C-606;
- (iv) Obligations deemed to have been paid as provided in subsection 2 of Section A-901;
- (v) Put Obligations tendered or deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Obligations on the applicable tender date, if the Purchase Price thereof and interest thereon shall have been paid or

amounts are available and set aside for such payment as provided in such Supplemental Resolution, except to the extent such tendered Put Obligations thereafter may be resold pursuant to the terms thereof and of such Supplemental Resolution; and

(vi) For the purpose of any consent to be given or other action to be taken by or upon the direction of Owners of a specified portion of Obligations Outstanding, Obligations excluded pursuant to Section A-911.

The principal component of any Parity Debt shall be deemed to be Outstanding in a principal amount equal to the principal amount of the obligation then owed by the Issuer thereunder in lieu of the related Obligation, regardless of the authorized amount of the principal component of such Parity Debt or the related Obligation and provided that, unless otherwise required pursuant to the related Supplemental Resolution, the principal component of such Parity Debt shall not by itself increase the Outstanding principal amount of Obligations.

**Owner**, or any similar terms, shall mean the registered owner of any Obligation as shown on the books for the registration and transfer of Obligations maintained in accordance with Section A-305.

**Parity Debt** shall mean any Parity Reimbursement Obligation, any Parity Swap Obligation or any other contract, agreement or other obligation of the Issuer designated as constituting “Parity Debt” in a certificate of an Authorized Officer delivered to the Trustee; *provided, however, that* any such Parity Reimbursement Obligation, Parity Swap Obligation, or other contract, agreement or other obligation shall not constitute Parity Debt solely to the extent of any obligations to pay termination or other fees, expenses, indemnification or other similar payments to the counterparty to such arrangement; *provided further that* Parity Reimbursement Obligations may include accelerated principal amortization provisions to the extent permitted by subsection 4 of Section A-202.

**Parity Reimbursement Obligation** has the meaning provided in subsection 4 of Section A-202.

**Parity Swap Obligation** has the meaning provided in subsection 6 of Section A-202.

**Paying Agent** shall mean any paying agent for the Obligations of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

**Person** shall mean any individual, corporation, firm, partnership, joint venture, association, joint-stock company, trust, unincorporated association, limited liability company or other legal entity or group of entities, including any public benefit corporation, public instrumentality, quasi-governmental or governmental entity or any agency or subdivision thereof.

**Principal Installments** shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt, as applicable, (a) the principal amount of Outstanding Obligations of such Series, due on the dates and in the amounts specified by Supplemental Resolution, reduced by the principal amount of such Obligations which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund

Installments payable before such dates, plus the unsatisfied balance (determined as provided in Section A-502 of the Resolution) of any Sinking Fund Installments due on any certain future date for Obligations of such Series, together with such redemption premiums, if any, applicable on any such future date, and (b) with respect to any Parity Debt, the amount due thereunder on the dates and in the amounts established in accordance with Section A-202 as a principal component of such Parity Debt payable on a parity with the Obligations.

**Principal Office of the Trustee** shall mean the designated corporate trust office of the Trustee.

**Purchase Price** shall mean, with respect to any Obligation, 100% of the principal amount thereof plus accrued interest, if any, plus in the case of an Obligation subject to mandatory tender for purchase on a date when such Obligation is also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Obligation if redeemed on such date.

**Put Obligations** shall mean Obligations which by their terms may be tendered at the option of the Owner thereof, or are subject to a mandatory tender other than at the election of the Issuer or a Related Entity, for payment or purchase prior to the stated maturity or redemption date thereof.

**Qualified Swap** shall mean, to the extent from time to time permitted by law, with respect to Obligations, any financial arrangement (i) which is entered into by the Issuer with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Obligations of the Issuer as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Obligations); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Issuer for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Obligations or Variable Interest Rate Obligations on a synthetic basis or otherwise, and (iii) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Swap with respect to such Obligations.

**Qualified Swap Provider** shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Issuer and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Obligations subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

**Rating Agency** shall mean each nationally recognized statistical rating organization then maintaining a rating on the Obligations at the request of the Issuer.

**Rating Category** shall mean one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

**Rating Confirmation** shall mean evidence that no rating then in effect from a Rating Agency will be withdrawn or reduced solely as the result of an action to be taken hereunder; provided, however, that no action requiring Rating Confirmation shall be undertaken unless at least one Rating Agency at that time maintains a rating on Obligations.

**Record Date**, except as otherwise provided by Supplemental Resolution or a certificate of an Authorized Officer, shall mean the last Business Day preceding a payment date or other date on which an action is to be taken.

**Redemption Price** shall mean, with respect to any Obligation, 100% of the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof pursuant to the Resolution.

**Registrar** shall mean any registrar for the Obligations of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

**Reimbursement Obligation** has the meaning provided in subsection 4 of Section A-202.

**Related Entity** shall mean any of the MTA, TBTA, MaBSTOA, the Transit Authority, MNCRC, LIRR, SIRTOA, MTA Bus and any affiliate or subsidiary of any of the foregoing now or hereafter established and designated as a Related Entity by an Authorized Officer.

**Responsible Officer** shall mean any officer assigned to the corporate trust office of the Trustee, or any other officer of the Trustee customarily performing functions similar to those performed by any of such officers and who has direct responsibility for the administration of the Resolution, and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

**Securities Depository** shall mean a recognized securities depository selected by the Issuer to maintain a book-entry system in respect to all or any portion of a Series of Obligations (including, as appropriate, any nominee thereof), and shall include any substitute for or successor to the Securities Depository initially acting as Securities Depository.

**Series** shall mean all of the Obligations delivered on original issuance pursuant to a single Supplemental Resolution and denominated therein a single series, and any Obligations thereafter delivered in lieu of or in substitution therefor pursuant to Article A-III or Section A-406 or Section C-606, regardless of variations in maturity, interest rate or other provisions.

**Sinking Fund Installment** shall mean, as of a particular date, any Sinking Fund Installment established pursuant to paragraph (m) of subsection 1 of Section A-201.

**SIRTOA** shall mean the Staten Island Rapid Transit Operating Authority and any successor thereto.

**State** shall mean the State of New York.

**Subordinated Contract Obligation** shall mean any payment obligation (other than a payment obligation constituting Parity Debt or Subordinated Indebtedness) arising under (a) any Credit Facility which has been designated as constituting a “Subordinated Contract Obligation” in a certificate of an Authorized Officer delivered to the Trustee, (b) any Qualified Swap or portion thereof which has been designated as constituting a “Subordinated Contract Obligation” in a certificate of an Authorized Officer delivered to the Trustee, and (c) any other contract, agreement or other obligation of the Issuer designated as constituting a “Subordinated Contract Obligation” in a certificate of an Authorized Officer delivered to the Trustee. Each Subordinated Contract Obligation shall be payable and secured in a manner permitted by Article V, and any lien on and pledge of any portion of the Obligations Trust Estate securing Subordinated Contract Obligations shall be junior and inferior to the lien on and pledge of the Obligations Trust Estate herein created for the payment of the Obligations and Parity Debt.

**Subordinated Indebtedness** shall mean any bond, note or other indebtedness authorized by Supplemental Resolution or other resolution of the Issuer and designated as constituting “Subordinated Indebtedness” in a certificate of an Authorized Officer delivered to the Trustee, which shall be payable and secured in a manner permitted by Article V of the Resolution, and any lien on and pledge of any portion of the Obligations Trust Estate securing Subordinated Indebtedness shall be junior and inferior to the lien on and pledge of the Obligations Trust Estate herein created for the payment of the Obligations and Parity Debt.

**Supplemental Resolution** shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Issuer in accordance with the Resolution and, except as the context may otherwise require, including any related Certificate of Determination.

**TA Act** shall mean the New York City Transit Authority Act being Title 9 of Article 5 of the New York Public Authorities law, as amended from time to time.

**Taxable Obligations** shall mean any Obligations which are not Tax-Exempt Obligations.

**Tax-Exempt Obligations** shall mean any Obligations the interest on which is intended by the Issuer to be generally excluded from gross income for federal income tax purposes and which are designated as Tax-Exempt Obligations in the Supplemental Resolution authorizing such obligations.

**TBTA** shall mean the Triborough Bridge and Tunnel Authority, the corporation organized and existing under the TBTA Act, and any successor thereto.

**TBTA Act** shall mean the Triborough Bridge and Tunnel Authority Act, being Title 3 of Article 3 of the New York Public Authorities Law, as amended from time to time.

**Transit Authority** shall mean the New York City Transit Authority, the corporation organized and existing under the TA Act, and any successor thereto.

**Transportation District** shall mean the Metropolitan Commuter Transportation District created by Section 1262 of the MTA Act.

**Transportation District Project** shall mean any project, program or facility that the Issuer or any other Related Entity (in either case, by itself or with any other Person) is authorized from time to time by law to plan, design, acquire, establish, construct, effectuate, operate, maintain, renovate, improve, extend, rehabilitate or repair within, or for the benefit of, the Transportation District.

**Trustee** shall mean the trustee appointed by the Issuer pursuant to Section A-701, and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

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

**Variable Interest Rate** shall mean a variable interest rate to be borne by any Obligation. The method of computing such variable interest rate shall be specified in the Supplemental Resolution authorizing such Series of Obligations.

**Variable Interest Rate Obligations** shall mean Obligations which bear a Variable Interest Rate.

**Section A-102. Rules of Construction.**

1. Words of one gender shall be deemed and construed to include correlative words of any other gender. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations.

2. Except as otherwise specified herein, all references in the Resolution (including this Annex A) to Articles, Sections, and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Resolution (including this Annex A), and the words herein, hereof, hereunder and other words of similar import refer to the Resolution as a whole (including this Annex A) and not to any particular Article, Section or subdivision of the Resolution or of this Annex A. References in the Resolution to Articles or Sections with "A-" preceding the number of an Article or Section are to such Article or Section of this Annex A.

3. This Annex A constitutes an integral part of the Resolution and, except to the extent provided in the next 2 sentences, has the same force and effect as if set forth in the forepart of the Resolution. To the extent expressly provided in the Resolution (not including this Annex A), the Issuer may negate, amend or modify any provision of this Annex A. In the event of any conflict between this Annex A and the forepart of the Resolution, the forepart of the Resolution shall control.

4. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof (including any table of contents in the Resolution), shall be

solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of the Resolution (including this Annex A) or describe the scope or intent of any provisions hereof.

5. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with applicable generally accepted accounting principles as in effect from time to time.

6. All references herein to resolutions, contracts or other agreements shall be deemed to include any amendments to such documents that are approved in accordance with the terms thereof and hereof.

7. Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature, which may be delivered and “signed” pursuant to facsimile or other electronic-mail transmission in accordance with applicable law and practice.

8. The word “or” is not exclusive.

9. The word “including” means including without limitation.

**Section A-103. Authority for the Resolution.** The Resolution is adopted pursuant to the Issuer Act.

**Section A-104. Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any and all of the Obligations and Parity Debt authorized to be issued hereunder by those who are Owners of the Obligations and Parity Debt from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Obligations and Parity Debt; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Obligations and Parity Debt, all of which, regardless of the time or times of their authentication, issuance and delivery, or maturity, shall be of equal rank without preference, priority or distinction of any of the Obligations or Parity Debt over any other Obligations or Parity Debt, except as expressly provided in or permitted by the Resolution.

## ARTICLE A-II.

### GENERAL PROVISIONS FOR ISSUANCE OR INCURRENCE OF OBLIGATIONS, PARITY DEBT AND OBLIGATION ANTICIPATION NOTES

#### Section A-201. General Provisions for Issuance of Obligations.

1. Obligations may be issued pursuant to a Supplemental Resolution in such principal amount or amounts for each Series or subseries as may be specified in such Supplemental Resolution. Obligations of any Series or subseries shall be authorized by a Supplemental

Resolution which shall specify, among other things, the following matters (or the manner of determining such matters):

- (a) The authorized principal amount, designation and Series of such Obligations;
- (b) The purpose or purposes for which such Obligations are being issued which shall be one or more of the purposes set forth in Section 201;
- (c) The dates and the maturity dates of the Obligations of such Series;
- (d) If the Obligations of such Series are interest bearing Obligations, the interest rates of the Obligations of such Series and the interest payment dates therefor;
- (e) If Obligations of such Series are Capital Appreciation Obligations, the Valuation Dates for such Obligations and the Accreted Value on each such Valuation Date;
- (f) If Obligations of such Series are Deferred Income Obligations, the Interest Commencement Date for such Obligations, the Valuation Dates prior to the Interest Commencement Date for such Obligations and the Appreciated Value on each such Valuation Date;
- (g) If Obligations of such Series are Capital Appreciation Obligations or Deferred Income Obligations, the manner in which and the period during which principal and interest shall be deemed to accrue on such Obligations;
- (h) If Obligations of such Series are Variable Interest Rate Obligations, the maximum interest rate, if any, or the method of calculating such maximum rate for such Obligations, and the provisions, if any, as to the calculation or change of Variable Interest Rates;
- (i) If Obligations of such Series are Put Obligations, provisions regarding tender for purchase or redemption thereof and payment of the purchase or Redemption Price thereof;
- (j) The denominations of and the manner of dating, numbering and lettering, the Obligations of such Series;
- (k) The Paying Agents, if any, and the places of payment of the principal and Redemption Price, if any, of, and interest on, the Obligations of such Series;
- (l) The Redemption Prices, if any, and the redemption terms, if any, for the Obligations of such Series, provided that Obligations of any maturity for which Sinking Fund Installments shall be established pursuant to paragraph (m) of this subsection 1 shall in any event be redeemable, or payable at maturity, by application of the Sinking Fund Installments for such Obligations on the due dates of such Sinking Fund Installments;

(m) The amount and due date of each Sinking Fund Installment, if any, for Obligations of like maturity of such Series;

(n) Provisions necessary to authorize, in compliance with all applicable law, Obligations of such Series to be issued in the form of Obligations issued and held in book-entry form on the books of the Issuer or any Fiduciary appointed for that purpose by the Issuer and, in connection therewith, make such additional changes in the Resolution, not adverse to the rights of the Owners of the Obligations, as are necessary or appropriate to accomplish or recognize such book-entry form Obligations and specify and determine the matters and things relative to the issuance of such book-entry form Obligations as are appropriate or necessary;

(o) To the extent applicable, the provisions relating to (a) any Credit Facility, Qualified Swap or other financial arrangement entered into in connection with the issuance of the Obligations of such Series and (b) the obligations payable thereunder;

(p) The amount, if any, to be deposited in the Obligations Proceeds Fund or any Account therein;

(q) If so determined by the Issuer, provisions for the application of any money available therefor to the purchase, exchange or redemption of Obligations of such Series and for the order of purchase, exchange or redemption of such Obligations;

(r) If so determined by the Issuer, provisions for the sale of the Obligations of such Series;

(s) The forms of the Obligations of such Series and of the Trustee's certificate of authentication if other than as provided in Section 301; and

(t) Such other matters, not contrary to or inconsistent with the Resolution, as the Issuer may deem advisable or necessary in connection with the authorization, issuance, sale, or delivery of such Series of Obligations.

An Authorized Officer to whom a Supplemental Resolution has delegated the power to determine any of the foregoing shall execute a Certificate of Determination evidencing such determinations or other actions taken pursuant to the delegation under such Supplemental Resolution, and such Certificate of Determination shall be conclusive evidence of the determinations or actions of such Authorized Officer as to the matters stated therein. The matters set forth in any such Certificate of Determination shall have the same effect as if set forth in the related Supplemental Resolution.

2. The Obligations may be sold in one or more Series or subseries (each of which shall contain a designation distinguishing it from other Series or subseries), and shall be delivered by the Issuer under the Resolution but only upon receipt by the Trustee of:

(a) An Opinion of Bond Counsel in customary form to the effect that (i) the Issuer has the right and power under the Issuer Act to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, and

is valid and binding upon the Issuer, and enforceable in accordance with its terms, and no other authorization for the Resolution is required as of the date thereof; (ii) the Resolution creates the valid pledge which it purports to create of the Obligations Trust Estate in the manner and to the extent provided in Section 501; and (iii) the Obligations are valid and binding obligations of the Issuer, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Issuer Act as amended to the date of such Opinion of Bond Counsel, and (iv) such Obligations have been duly and validly authorized and issued in accordance with law and the Resolution;

(b) A copy of the Supplemental Resolution authorizing such Obligations, certified by an Authorized Officer;

(c) A written order of the Issuer as to the delivery of the Obligations, signed by an Authorized Officer;

(d) A certificate of an Authorized Officer to the effect that, upon the delivery of the Obligations of such Series (i) no event which constitutes a default under the Resolution or any of the Obligations shall have occurred and be continuing or, if such an event is continuing, upon issuance of the Obligations such default shall be cured, and (ii) no such event would result from the authentication and delivery of the Obligations of such Series;

(e) If any Obligations are Variable Interest Rate Obligations or a Qualified Swap is being entered into that will result in a variable interest rate obligation of the Issuer, a determination by an Authorized Officer of the Estimated Average Interest Rate;

(f) If any Obligations of such Series are Put Obligations, a determination by an Authorized Officer of the method or methods to be employed to provide for the purchase or redemption of all Put Obligations of such Series if the Owners thereof elected to tender for purchase or redemption the entire aggregate Outstanding principal amount of the Put Obligations of such Series; and

(g) Such further documents and money as are required by the provisions of Article II, this Article A-II or Article C-V.

3. If Obligations are to be listed on a domestic or foreign stock exchange, the Authorized Officers are hereby authorized to take all such actions as they deem necessary or appropriate to comply with the listing requirements of such exchange, including the appointment of a member of such exchange as listing agent, the publication where required by such exchange of all redemption notices, the appointment of a special clearing agent and paying agent, and the execution of an undertaking letter with such exchange.

4. The Obligations shall not be a debt of the State or the City and neither the State nor the City shall be liable thereon, nor shall Obligations be payable out of any funds other than those of the Issuer as provided in the Resolution.

**Section A-202. Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt.**

1. The Issuer may include such provisions in a Supplemental Resolution authorizing the issuance of a Series of Obligations secured by a Credit Facility as the Issuer deems appropriate, and no such provisions shall be deemed to constitute an amendment to the Resolution requiring action under Article C-V or Article C-VI, including:

(a) So long as the Credit Facility is in full force and effect and payment on the Credit Facility is not in default, then (i) the issuer of the Credit Facility shall be deemed to be the sole Owner of the Outstanding Obligations the payment of which such Credit Facility secures or (ii) in the alternative or with respect to particular matters, the approval, consent or action of the issuer of the Credit Facility shall be required in addition to the approval, consent or action of the applicable percentage of the Owners of the Outstanding Obligations, in either case when the approval, consent or action of the Owners for such Obligations is required or may be exercised under the Resolution and following an Event of Default hereunder; provided, however, that no issuer of a Credit Facility shall be deemed to be the sole Owner of Outstanding Obligations pursuant to this provision in the event that the Credit Facility or Credit Facilities securing such Obligations provide only liquidity support.

(b) In the event that the principal, Sinking Fund Installments, if any, and Redemption Price, if applicable, and interest due on any Outstanding Obligations (or Purchase Price of any Outstanding Obligations to the extent the issuer of the Credit Facility has not been reimbursed) shall be paid under the provisions of the Credit Facility, all covenants, agreements and other obligations of the Issuer to the Owners of such Obligations shall continue to exist and such issuer of the Credit Facility shall be subrogated to the rights of such Owners in accordance with the terms of such Credit Facility.

2. In addition, such Supplemental Resolution may establish such provisions as are necessary (i) to comply with the provisions of each such Credit Facility, (ii) to provide relevant information to the issuer of the Credit Facility, (iii) to provide a mechanism for paying Principal Installments and interest on Obligations secured by the Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the issuer of a Credit Facility.

3. The Issuer may enter into such agreements with the issuer of such Credit Facility providing for, *inter alia*: (i) the payment of fees and expenses to such issuer for the issuance of such Credit Facility, (ii) the terms and conditions of such Credit Facility and the Obligations affected thereby, and (iii) the security, if any, to be provided for the issuance of such Credit Facility.

4. The Issuer may secure such Credit Facility by an agreement providing for the purchase of the Obligations secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Issuer in the applicable Supplemental Resolution. The Issuer may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such

Credit Facility (together with interest thereon, the “**Reimbursement Obligation**”); *provided, however,* that no amounts shall be payable by the Issuer under a Reimbursement Obligation for purposes of the Resolution, until amounts are paid under such Credit Facility by the issuer thereof. As determined by Supplemental Resolution, any such Reimbursement Obligation, which may include interest calculated at a rate higher than the interest rate on the related Obligation and accelerated principal amortization, (i) may be secured by a pledge of, and a lien on, the Obligations Trust Estate on a parity with the lien created by Section 501 of the Resolution to secure the Obligations (a “**Parity Reimbursement Obligation**”), but only to the extent that (prior to any acceleration of all Obligations, if permitted) any principal amortization requirements are *either* (A) commensurate with the amortization requirements for such related Obligations, without acceleration or (B) accelerated to no greater extent than to require repayment in equal principal installments over 5 or more years, or (ii) may constitute a Subordinated Contract Obligation, as determined by the Issuer. Parity Reimbursement Obligations shall not include any payments (other than interest calculated at a higher rate pursuant to a Credit Facility) (i) of any fees or expenses, (ii) pursuant to any indemnification provisions or (iii) pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than permitted by clauses (A) and (B) of the preceding sentence, and any such payments of the items specified in clauses (i), (ii) or (iii) shall constitute Subordinated Contract Obligations.

5. Any such Credit Facility shall be for the benefit of and secure such Obligations or portion thereof as specified in any applicable Supplemental Resolution.

6. In connection with the issuance of any Obligations or at any time thereafter so long as Obligations remain Outstanding, the Issuer may, to the extent permitted pursuant to law, from time to time enter into Qualified Swaps. The Issuer’s obligation to pay any amount under any Qualified Swap may be secured by a pledge of, and a lien on, the Obligations Trust Estate on a parity with the lien created by Section 501 of the Resolution to secure the Obligations (a “**Parity Swap Obligation**”), or may constitute a Subordinated Contract Obligation, as determined by the Issuer. Parity Swap Obligations shall not include any payments of any termination or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap, which payments shall be Subordinated Contract Obligations.

7. Parity Debt shall not be a debt of the State or the City and neither the State nor the City shall be liable thereon, nor shall Parity Debt be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution.

8. Except to the extent that an Authorized Officer directs that such amounts be deposited in any other Fund or Account pledged to the payment of Obligations, any amounts paid to the Issuer under a Qualified Swap shall be deposited in the Senior Debt Service Fund.

9. To the extent applicable and not readily apparent with respect any Parity Debt, either the terms of such Parity Debt shall specify (or an Authorized Officer shall specify in writing) the interest and principal components of, or the scheduled payments corresponding to principal and interest under, such Parity Debt or the manner of determining the foregoing.

**Section A-203. Obligation Anticipation Notes.** Whenever the Issuer shall have, by Supplemental Resolution, authorized the issuance of a Series of Obligations, the Issuer may by

resolution authorize the issuance of Obligation Anticipation Notes in anticipation of the issuance of such authorized Series of Obligations, in a principal amount not exceeding the principal amount of the Obligations of such Series so authorized. The principal of and premium, if any, and interest on such Obligation Anticipation Notes and any renewals of such Obligation Anticipation Notes shall be payable only from any or all of the following items designated by the Issuer at or prior to issuance of any such series of Obligation Anticipation Notes (i) the proceeds of any renewals of such Obligation Anticipation Notes issued to repay such Obligation Anticipation Notes, (ii) the proceeds of the sale of the Series of Obligations, Refunding Obligations or Refunding Second Lien Obligations or other obligations in anticipation of which such Obligation Anticipation Notes are issued or expected to be refinanced or restructured, (iii) amounts available to pay Other Subordinated Obligations, or (iv) any other money available therefor and not pledged under the Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Obligation Anticipation Notes, and any such pledge of the items set forth in clauses (i) and (ii) shall have priority over any other pledge created by the Resolution, including Section 501. In any case, such Obligation Anticipation Notes shall be retired or provision shall be made for their retirement not later than the date of authentication and delivery of the Series of Obligations in anticipation of which they are issued. The proceeds of the sale of Obligation Anticipation Notes other than renewals thereof shall be applied to the purposes for which the Obligations, Refunding Obligations or Refunding Second Lien Obligations or other obligations in anticipation of which such Obligation Anticipation Notes are authorized and shall be deposited in the appropriate Fund or Account established by the Resolution for such purposes or, if so provided in the resolution authorizing renewals of Obligation Anticipation Notes issued to pay outstanding Obligation Anticipation Notes, applied directly to such payment. Investment earnings from any amounts on deposit in any Fund or Account under the Resolution representing the proceeds of any Obligation Anticipation Notes shall be applied in the manner set forth in the resolution authorizing such Obligation Anticipation Notes.

### **ARTICLE A-III.**

#### **GENERAL TERMS AND PROVISIONS OF OBLIGATIONS**

Except as otherwise provided by Supplemental Resolution, the Obligations shall be subject to the terms and provisions of these Standard Resolution Provisions.

##### **Section A-301. Medium of Payment; Form and Date.**

1. The Obligations and Parity Debt shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts (or to the extent permitted by law, in any other coin or currency authorized pursuant to a Supplemental Resolution for related Obligations and Parity Debt).

2. Obligations shall be issued in the form of fully registered Obligations without coupons. Obligations, the certificate of authentication, if any, and the form of assignment shall be in substantially the form provided for in Exhibit One with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or thereby or are required by law,

and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the officers executing such Obligations, as evidenced by their execution of the Obligations. Any portion of the text of any Obligation may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Obligation, or as multiple pages (with or without such a reference). Obligations may be typewritten, printed, engraved, lithographed or otherwise produced.

3. Obligations shall be dated, and shall bear or not bear interest, as provided in the Supplemental Resolution authorizing such Obligations.

**Section A-302. Legends.** Obligations may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Issuer.

**Section A-303. Execution and Authentication.**

1. The Obligations shall be executed in the name of the Issuer by the manual or facsimile signature of an Authorized Officer or in such other manner as may be required by law or specified in a Supplemental Resolution. In case any of the officers who shall have signed any of the Obligations shall cease to be such officer before the Obligations so signed shall have been actually delivered, such Obligations may, nevertheless, be delivered as herein provided, and may be issued as if the Persons who signed such Obligations had not ceased to hold such offices. Any Obligation may be signed on behalf of the Issuer by such Persons as at the actual time of the execution of such Obligation shall be duly authorized or hold the proper office in the Issuer, although at the date of the Obligations such Persons may not have been so authorized or have held such office.

2. Obligations of each Series shall bear thereon a certificate of authentication, executed manually by the Trustee. Only such Obligations as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Obligation shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Obligation executed on behalf of the Issuer shall be conclusive evidence that the Obligation so authenticated has been duly authenticated and delivered under the Resolution and that the Owner thereof is entitled to the benefits of the Resolution.

**Section A-304. Interchangeability of Obligations.** Obligations, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or his duly authorized attorney, may, at the option of such Owner, be exchanged for an equal aggregate principal amount of Obligations of the same Series, maturity and interest rate of any other authorized denomination.

**Section A-305. Negotiability, Transfer and Registry.** All the Obligations issued under the Resolution shall be negotiable, subject to the provisions for registration and registration of transfer contained in the Resolution and in the Obligations. So long as any of the Obligations

shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and registration of transfer of Obligations; and, upon presentation thereof for such purpose at said office and under such reasonable regulations as it or the Registrar may prescribe, the Issuer shall register or cause to be registered therein, and permit to be transferred thereon, the registration of any Obligation entitled to registration or registration of transfer. So long as any of the Obligations remain Outstanding, the Issuer shall make all necessary provision to permit the exchange of Obligations at the office of the Registrar.

**Section A-306. Transfer of Obligations.**

1. The transfer of each Obligation shall be registerable only upon the books of the Issuer, which shall be kept by the Registrar, by the Owner thereof in person or by his attorney authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar executed by the Owner or his authorized attorney. Upon the registration of transfer of any such Obligation, the Issuer shall issue in the name of the transferee a new Obligation of the same aggregate principal amount, Series, maturity and interest rate as the surrendered Obligation.

2. The Issuer and each Fiduciary may deem and treat the Person in whose name any Outstanding Obligation shall be registered upon the books of the Issuer as the absolute owner of such Obligation, whether such Obligation shall be overdue or not, for the purpose of receiving payment of or on account of, the principal and Redemption Price, if any, of and interest on such Obligation and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid, and neither the Issuer nor any Fiduciary shall be affected by any notice to the contrary. The Issuer agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, unless acting in bad faith or with negligence under the Resolution, in so treating such registered owner.

**Section A-307. Regulations With Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging Obligations or registering the transfer of Obligations is exercised, the Issuer shall execute and the Registrar shall deliver Obligations in accordance with the provisions of the Resolution. All Obligations surrendered in any such exchanges or registrations of transfer shall forthwith be canceled by the Registrar. For every such exchange or registration of transfer of Obligations, whether temporary or definitive, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

**Section A-308. Obligations Mutilated, Destroyed, Stolen or Lost.** In case any Obligation shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Trustee and Registrar shall deliver, a new Obligation of like tenor, Series, maturity, interest rate and principal amount as the Obligation so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Obligation, upon surrender and cancellation of such mutilated Obligation, or in lieu of and substitution for the Obligation destroyed, stolen or lost, upon filing with the Trustee and Registrar evidence satisfactory to the Issuer and the Trustee and Registrar that such Obligation has been destroyed, stolen or lost and proof of ownership thereof,

and upon furnishing the Issuer and the Trustee and Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the Issuer and the Trustee and Registrar may prescribe and paying such expenses as the Issuer and Trustee and Registrar may incur. All Obligations so surrendered to the Registrar shall be canceled by it. If any such Obligation shall have matured, or if such Obligation shall have been called for redemption or a redemption date pertaining thereto shall have passed, instead of issuing a new Obligation the Issuer may cause the same to be paid without surrender thereof upon indemnity satisfactory to the Issuer and the Trustee. Any such new Obligations issued pursuant to this Section in substitution for Obligations alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Issuer, whether or not the Obligations so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Obligations issued under the Resolution, in any money or securities held by the Issuer or the Fiduciary for the benefit of the Owners of Obligations.

**Section A-309. Book-Entry-Only System.** The Issuer may employ a book-entry-only system of registration with respect to any Obligations and may utilize the procedures regarding such registration set forth in this Section A-309, as such procedures may be modified or superseded pursuant to the Supplemental Resolution authorizing such Obligations. Any provisions of the Resolution inconsistent with book-entry-only Obligations shall not be applicable to such book-entry-only Obligations.

Any Authorized Officer is hereby authorized to take all actions required for each Series of Obligations to be eligible under the rules and regulations of The Depository Trust Company (“DTC”), 55 Water Street, New York, New York, for investment and trading as uncertificated securities. DTC is hereby appointed as the initial Securities Depository for the Obligations, with Cede & Co., a nominee thereof, being the initial registered owner of the Obligations. In the event that any Securities Depository resigns or is removed, any Authorized Officer may select a substitute Securities Depository. The Issuer and any Fiduciary, and any agent of the Issuer or any Fiduciary, may treat any Securities Depository in whose name any Obligations is registered as the owner of such Obligation for all purposes under the Resolution. For so long as the Securities Depository is the registered owner of the Obligations, procedures with respect to the transmission of notices and the transfer of ownership of, redemption of and payment of principal or Redemption Price, if any, of and interest on such Obligations so held shall be in accordance with arrangements among the Trustee, the Issuer and the Securities Depository.

So long as the Obligations are registered in the name of the Securities Depository, the Issuer and the Trustee shall have no responsibility or obligation to any Securities Depository participant, indirect participant or beneficial owner of the Obligations. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of any Securities Depository or any Securities Depository participant or indirect participant with respect to any beneficial ownership interest in the Obligations, (ii) the delivery to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any notice with respect to the Obligations, including any notice of redemption or tender, or (iii) the payment to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any amount with respect to the principal of or Redemption Price or interest on the Obligations.

The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of any Securities Depository with respect to any Series of Obligations. Notice of such termination shall be given by the Issuer to the Trustee prior to or simultaneously with such termination. In the event the book-entry only system is discontinued with respect to the Obligations, principal and Redemption Price of and interest on the Obligations shall be paid as provided in the Resolution.

Consistent with DTC book-entry provisions, one or more typewritten certificates shall be prepared for each maturity of the Obligations of a Series and registered in the name of the Securities Depository. There shall be no physical distribution of bond or other certificates to beneficial owners of such Obligations. In the event that the Obligations do not qualify to be held by the Securities Depository or that either the Issuer determines to discontinue the book-entry only system or DTC determines to discontinue providing its service with respect to the Obligations and there is no successor Securities Depository, the bond or other certificates shall be delivered in the form required by the Resolution.

Unless otherwise directed by an Authorized Officer, "CUSIP" identification numbers will be imprinted on the Obligations, but such numbers shall not constitute a part of the contract evidenced by the Obligations and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Obligations. As a convenience to the Owners of the Obligations, the Issuer and the Trustee may use such CUSIP numbers in any notices to the Owners of the Obligations, including any notices of redemption of the Obligations. Failure on the part of the Issuer or the Trustee to use such CUSIP numbers in any notice to Owners of the Obligations shall not constitute an Event of Default or any similar violation of the Issuer's contract with such Owners. The Issuer will promptly notify the Trustee of any change in the CUSIP numbers.

## **ARTICLE A-IV.**

### **REDEMPTION AND TENDER OF OBLIGATIONS**

**Section A-401. Privilege of Redemption and Redemption Price.** Except as otherwise provided in the Resolution or a Supplemental Resolution, Obligations subject to redemption pursuant to a Supplemental Resolution shall be subject to redemption only in accordance with this Article A-IV.

Obligations subject to redemption prior to maturity pursuant to a Supplemental Resolution shall be redeemable, upon written notice as provided in this Article A-IV, at such times, at such Redemption Prices and upon such terms as may be specified in the Supplemental Resolution authorizing such Obligations.

**Section A-402. Redemption at the Election of the Issuer; Tender to Related Entities.** In the case of any redemption of Obligations at the election of the Issuer, the Issuer 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 Obligations of each maturity and interest rate of such Series to be redeemed (which Series, maturities, interest rates and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitations with respect

thereto contained in any Supplemental Resolution). Such notice shall be given at least 45 days prior to the redemption date or such shorter period as may be provided in the Supplemental Resolution or as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section A-405 provided but subject to the second paragraph of Section A-405, the Issuer shall on or prior to the redemption date cause to be paid out to the appropriate Paying Agent or Paying Agents out of money available therefor an amount in cash which, in addition to other money, if any, available therefor held by such Paying Agent or Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, all of the Obligations to be redeemed.

The Issuer may, in its sole discretion, purchase or grant to any Related Entity the option to purchase, at any time and from time to time, any Obligations which are redeemable at the election of the Issuer at a purchase price equal to the redemption price therefor. To exercise any such option, the Issuer or the Related Entity shall give the Trustee a written request exercising such option within the time periods specified in the related Supplemental Resolution as though such written request were a written request of the related Issuer for redemption, and the Trustee shall thereupon give the Owners of the Obligations to be purchased notice of such purchase in the manner specified in the related Supplemental Resolution as though such purchase were a redemption. On the date fixed for purchase pursuant to any exercise of such an option, the Issuer or the Related Entity shall pay the purchase price of the Obligations then being purchased to the Trustee in immediately available funds, and the Trustee shall pay the same to the sellers of such Obligations against delivery thereof. Following such purchase, the Trustee shall cause such Obligations to be registered in the name of the Issuer or the Related Entity or its nominee and shall deliver them to the Issuer, the Related Entity or its nominee. Except to the extent otherwise directed by an Authorized Officer, no purchase of Obligations pursuant to such an option shall operate to extinguish the indebtedness of the Issuer evidenced thereby. Any such option to purchase by a Related Entity either shall be conditioned on the provision of sufficient money therefor by the Related Entity or shall be an obligation of the Issuer in the event that the Related Entity does not provide sufficient money therefor.

**Section A-403. Redemption Otherwise Than at the Issuer's Election.** Whenever by the terms of the Resolution Obligations are required to be redeemed otherwise than at the election of the Issuer, the Trustee shall select the Obligations to be redeemed, give the notice of redemption and pay out of money available therefor the Redemption Price to the appropriate Paying Agents in accordance with the terms of this Article A-IV. The Trustee shall have no liability in making such selection.

**Section A-404. Selection of Obligations to Be Redeemed.** In the event of redemption of less than all the Outstanding Obligations of like tenor, Series, maturity and interest rate, the Trustee shall select, as directed by the Issuer (as to the timing of such selection, manner of such selection or otherwise) or otherwise in such manner as the Trustee in its discretion shall deem appropriate and fair, the numbers of the Obligations to be redeemed and portions of any thereof to be redeemed in part. Obligations of denominations equal or less than the minimum authorized denomination thereof may be redeemed only as a whole. Obligations of denominations of more than the minimum authorized denomination thereof may be redeemed either as a whole or in part (which, if redeemed in part, must assure that the portion of the Obligation which is not redeemed is an authorized denomination). For the purposes of this Section A-404, Obligations, or

portions thereof, which have theretofore been selected for redemption shall not be deemed Outstanding.

**Section A-405. Notice of Redemption.** When the Trustee shall receive notice from the Issuer of its election to redeem Obligations pursuant to Section A-402, and when redemption of Obligations is required by the Resolution pursuant to Section A-403, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Obligations, which notice shall specify the Series (including CUSIP numbers), maturities and, if any maturity shall include Obligations bearing different interest rates and all Obligations of such maturity are not being redeemed, the interest rate of the Obligations to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Obligations of any like tenor, Series, maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Obligations so to be redeemed, and, in the case of Obligations to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed, and, if applicable, that such notice is conditional and the conditions that must be satisfied. Such notice shall further state that on such date there shall become due and payable upon each Obligation to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Obligations to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given not less than 20 days nor more than 45 days, or for such other period as may be specified in a Supplemental Resolution authorizing a particular Series, before the redemption date, to the Owners of any Obligations or portions of Obligations which are to be redeemed. Failure so to give any such notice to any particular Owner shall not affect the validity of the proceedings for the redemption of Obligations not owned by such Owner and failure of any Owner to receive such notice shall not affect the validity of the proposed redemption of Obligations. The Issuer may provide notices of redemption at such additional times as it may determine necessary or appropriate.

Any notice of optional redemption given pursuant to this Section may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Obligations or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Owners of Obligations as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Unless otherwise provided by Supplemental Resolution, notices of redemption shall be sent by first class mail, postage prepaid.

Notice of redemption of any Series of Obligations shall also be sent by the Trustee to such additional Persons as may be specified in the Supplemental Resolution authorizing such Series.

**Section A-406. Payment of Redeemed Obligations.** Notice having been given in the manner provided in Section A-405, the Obligations or portions thereof so called for redemption shall, subject to the second paragraph of Section A-405, become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the

redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Obligations, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of an Obligation, the Issuer shall execute and cause to be delivered, upon the surrender of such Obligation, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Obligation so surrendered, at the option of the owner thereof, Obligations of like tenor, Series, maturity and interest rate in any of the authorized denominations. If, on the redemption date, money for the redemption of all the Obligations or portions thereof of any like tenor, Series, maturity and interest rate to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Obligations or portions thereof of such Series, maturity and interest rate so called for redemption shall cease to accrue. If said money shall not be so available on the redemption date, such Obligations or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

## **ARTICLE A-V.**

### **INVESTMENT OF FUNDS; SINKING FUND INSTALLMENTS; CANCELLATION AND DISPOSITION OF OBLIGATIONS**

#### **Section A-501. Investment of Funds.**

1. Subject to the provisions of Section A-904, amounts in the Funds and Accounts established by Section 502 of the Resolution may be invested only in Authorized Investments and only when and as specifically directed in writing by an Authorized Officer.

2. The Trustee or the Issuer shall sell any Authorized Investments held in any Fund, Account or subaccount to the extent required for payments from such Fund, Account or subaccount. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund, Account or subaccount to the extent required to meet the requirements of such Fund, Account or subaccount. Except as provided by Supplemental Resolution, in computing the amount of such Funds, Accounts and subaccounts, 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 Authorized Investment to the extent such amount exceeds any accrued interest paid on the purchase of such Authorized Investment shall be treated as interest earned on such Authorized Investment for purposes of this Section.

3. Nothing in the Resolution shall prevent any Authorized Investments acquired as investments of or security for any Fund, Account or subaccount held under the Resolution from being held in book-entry form.

4. In making any investment in any Authorized Investments with money in any Fund or Account established under the Resolution, the Trustee or the Issuer may combine such money with money in any other Fund or Account held by it, but solely for purposes of making such investment in such Authorized Investments.

**Section A-502. Satisfaction of Sinking Fund Installments.**

1. Any amount accumulated in the Senior Debt Service Fund in respect of and up to the unsatisfied balance of each Sinking Fund Installment shall be applied by the Trustee to either (a) or (b) below as directed by the Issuer (together with amounts accumulated in the Senior Debt Service Fund with respect to interest on the Series of Obligations for which such Sinking Fund Installment was established) if so directed by an Authorized Officer prior to the 45th day preceding the due date of such Sinking Fund Installment as follows:

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

(b) to the redemption of Obligations for which such Sinking Fund Installment was established, if then redeemable by their terms at the prices referred to in clause (a) of this subsection 1 of this Section A-502.

All Obligations so purchased or redeemed shall be canceled by the Trustee prior to the 45th day preceding the due date of such Sinking Fund Installment.

2. Upon the purchase or redemption of any Obligation pursuant to subsection 1 of this Section, an amount equal to the principal amount of the Obligations so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Obligations 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 for such Series as specified by an Authorized Officer. Prior to the purchase or redemption of such Obligations, the Issuer 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 Obligations so to be purchased or redeemed, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Obligations are so to be purchased or redeemed, (iii) the aggregate principal amount of the Obligations so to be purchased or redeemed, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Obligations.

3. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Issuer may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Obligations acquired by purchase or redemption, except Obligations acquired by purchase or redemption pursuant to the provisions of subsection 1 of this Section, of the maturity and interest rate entitled to such Sinking Fund Installment. All Obligations 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 Obligations. Concurrently with such delivery of such Obligations the Issuer 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 Obligations so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Obligations are so delivered, (iii) the aggregate principal amount of the

Obligations so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Obligations.

4. The Trustee shall, upon receipt of the notice and in the manner required by the Resolution, call for redemption, on the date of each Sinking Fund Installment falling due prior to maturity, such principal amount of Obligations of the Series, interest rate and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

**Section A-503. Cancellation and Disposition of Obligations.** All Obligations that have been paid (whether at maturity or by acceleration, call for redemption, purchase by the Issuer and presentation for cancellation, or otherwise) or delivered to the Trustee for cancellation shall be canceled and not reissued, except as otherwise provided in a Supplemental Resolution with respect to Put Obligations. Unless otherwise directed by the Issuer, the Trustee shall treat canceled Obligations in accordance with its document retention policies. Notwithstanding any other provision of the Resolution, the Issuer may in its sole discretion purchase any obligations of the Issuer or any Related Entity for investment purposes and any such obligations shall remain outstanding unless and until presented for cancellation.

## ARTICLE A-VI.

### PARTICULAR COVENANTS OF THE ISSUER

The Issuer covenants and agrees with the Trustee and the Owners of Obligations as follows:

**Section A-601. Payment of Obligations and Parity Debt.** The Issuer shall duly and punctually pay or cause to be paid from the Obligations Trust Estate as provided in the Resolution the principal or Redemption Price, if any, of every Obligation and the interest thereon and all Parity Debt, at the dates and places, and in the manner provided in the Obligations and Parity Debt, according to the true intent and meaning thereof.

**Section A-602. Extension of Payment of Obligations.** The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Obligations or the time of payments of any claims for interest by the purchase or funding of such Obligations or claims for interest or by any other arrangement and in case the maturity of any of the Obligations or the time for payment of such claims for interest shall be extended, such Obligations or claims for interest shall not be entitled, in case of any Event of Default, to the benefit of the Resolution or to any payment out of the Obligations Trust Estate, except subject to the prior payment of the principal of all Obligations Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Obligations as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Issuer (i) to issue refunding obligations as provided in the Resolution and such issuance shall not be deemed to constitute an extension of maturity of the Obligations, (ii) to issue Put Obligations and neither such issuance nor the operation of the provisions of such Put Obligations shall be deemed to constitute an extension of maturity of the Obligations, (iii) to apply any amount in any Fund held under the Resolution for such purpose to the purchase or redemption of Obligations or (iv) to issue securities

having a maturity date, including any extension of maturity contemplated at the time of issuance, of no more than 270 days from the issue date.

**Section A-603. Offices for Servicing Obligations.** Except as otherwise provided in the Resolution, the Issuer shall at all times maintain one or more offices or agencies in the City and State of New York where Obligations may be presented for payment, registration, transfer or exchange, and where notices, demands and other documents may be served upon the Issuer in respect of the Obligations or of the Resolution. The Issuer may appoint the Trustee or any other Fiduciary as its agent to maintain such office or agency for the payment, redemption, registration, transfer or exchange of Obligations and for the service upon the Issuer of such notices, demands and other documents. The Issuer may also maintain one or more offices or agencies outside of the City or State for the same purposes.

**Section A-604. Further Assurance.** To the extent permitted by law, the Issuer from time to time shall make, do, execute, adopt, acknowledge and deliver, and take all and every such further acts, deeds, conveyances, assignments, resolutions, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and interests in the Obligations Trust Estate or assigned, or intended so to be, or which the Issuer may become bound to pledge or assign.

**Section A-605. Accounts and Reports.**

1. The Issuer shall keep proper books of record and account of its operations. Such books of account are to be audited at least annually by independent certified public accountants experienced in governmental accounting selected by the Issuer. A copy of each audit report, annual balance sheet and income and expense statement shall be filed with the Trustee and sent to any Owner filing with the Issuer a written request therefor.

2. The Issuer shall annually, within 6 months after the close of each fiscal year or at such other time required under applicable law or a subsequent contract with all or certain Owners (or, if not available by such date, when and if available), file with the Trustee, and otherwise as provided by law, a copy of an annual report for such year, accompanied by the opinion of the accountants specified in subsection 1 of this Section.

**Section A-606. General.**

1. The Issuer 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 Issuer under the provisions of the Resolution and, to the extent material to the interests of Owners, the Issuer Act.

2. Upon the date of authentication and delivery of any of the Obligations, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in connection with the issuance of such Obligations (and any related Parity Debt then being incurred) shall exist, shall have happened and shall have been performed and the issuance of such Obligations (and any related Parity Debt then being incurred), together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by the laws of the State, as applicable.

## ARTICLE A-VII.

### CONCERNING THE TRUSTEE, PAYING AGENTS AND THE REGISTRAR

**Section A-701. Trustee; Appointment and Acceptance of Duties.** On or prior to the delivery of any Obligations, the Issuer shall appoint a Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer a written acceptance thereof.

**Section A-702. Duties, Liabilities and Rights of the Trustee.**

1. Prior to the occurrence of an Event of Default of which a Responsible Officer of the Trustee has written notice or actual knowledge, and after the curing or waiver of any Event of Default which may have occurred:

(a) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Resolution, and no implied covenants or obligations shall be read into the Resolution against the Trustee; and

(b) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Resolution; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee is under a duty to examine same to determine whether or not they conform to the requirements of the Resolution.

2. In case an Event of Default of which a Responsible Officer of the Trustee has written notice or actual knowledge has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent Person would exercise or use in the conduct of such Person's own affairs.

3. No provision of the Resolution shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) this subsection (c) shall not be construed to limit the effect of subsection (a) of this Section A-702;

(b) the Trustee is not and shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts;

(c) the Trustee is not and shall not be liable with respect to any action taken or omitted to be taken by it in good faith (i) in accordance with the direction of the Owners of the applicable percentage of Obligations then Outstanding relating to the time, method

and place of conducting any proceeding for any remedy available to the Trustee, or (ii) which it believes to be authorized or within its rights or powers under the Resolution;

(d) no provision of the Resolution shall require the Trustee to expend or risk its own funds or otherwise incur any personal or financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, for which it has not received a satisfactory indemnity;

(e) the Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper Person and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

(f) the Trustee shall not be charged with knowledge of an Event of Default unless a Responsible Officer of the Trustee shall have received written notice from an Owner or the Issuer or have actual knowledge; provided that the Trustee shall be deemed to have actual knowledge of any failure to pay principal or Redemption Price of or interest on Obligations when due;

(g) the Trustee shall not be under any obligation, to take any action that is discretionary hereunder;

(h) neither the Trustee nor any of its directors, officers, employees or agents shall be personally liable for any action taken, suffered or omitted by the Trustee in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon the Trustee by the Resolution;

(i) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians, or nominees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney, custodians or nominees appointed with due care by it hereunder; and

(j) the Trustee may request that the Issuer deliver a certificate of an Authorized Officer setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant hereto, which certificate may be signed by any Person authorized to sign such a certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

4. Whether or not expressly so provided, every provision of the Resolution relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Section A-702.

5. In the event that the Trustee is also acting as Paying Agent or Registrar hereunder, the rights and protections afforded to the Trustee pursuant to this Article A-VII shall also be afforded to the Paying Agent and Registrar.

**Section A-703. Paying Agents and Registrars; Appointment and Acceptance of Duties.**

1. The Trustee is hereby appointed the Registrar and a Paying Agent with respect to the Obligations. The Issuer may at any time or from time to time appoint one or more other Paying Agents and Registrars in the manner and subject to the conditions set forth in Section A-713 for the appointment of a successor Paying Agent or Registrar. The Issuer may be appointed a Paying Agent or Registrar.

2. Each Paying Agent and Registrar other than the Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer and to the Trustee a written acceptance thereof.

**Section A-704. Responsibilities of Fiduciaries.** The recitals of fact contained in the Resolution and in the Obligations shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Obligations issued thereunder or in respect of the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Obligations for value or the application of the proceeds thereof or the application of any money paid to the Issuer. No Fiduciary shall be under any responsibility or duty with respect to the application of any money paid to any other Fiduciary. No Fiduciary shall be liable in connection with the performance of its duties under the Resolution, or for any losses, fees, taxes or other charges incurred upon the purchase or sale or redemption of any securities purchased for or held in any Fund under the Resolution, including any losses incurred by reason of having to sell securities prior to their maturity date, except in each case for its own willful misconduct, negligent action or negligent failure to act.

**Section A-705. Evidence on Which Fiduciaries May Act.**

1. Each Fiduciary shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel of its selection, who may or may not be counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, omitted to be taken or suffered by it under the Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the

Resolution; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

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

**Section A-706. Compensation.** The Issuer shall pay to each Fiduciary from time to time such compensation as shall be agreed to in writing between the Fiduciary and the Issuer for all services rendered under the Resolution (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Resolution. To the extent permitted by law, the Issuer further agrees to indemnify and save each Fiduciary and its officers, directors, agents, and employees harmless against any and all liabilities, losses, damages, claims or expenses which it may incur in the acceptance, exercise and performance of its powers and duties hereunder and which are not due to its willful misconduct, negligence or bad faith. The obligations of this Section A-706 shall survive the discharge of the Resolution. No obligation of the Issuer to make any payment to any Fiduciary shall have the benefit of any lien on or pledge or assignment of the Obligations Trust Estate.

A Fiduciary shall notify the Issuer promptly of any claim for which it may seek indemnity. The Issuer shall defend the claim and the Trustee shall cooperate in the defense. The Fiduciary may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel.

**Section A-707. Certain Permitted Acts.** Any Fiduciary may become the owner of any Obligations or any other obligations of the Issuer, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law and pursuant to the Resolution, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations or the holders of any other obligations of the Issuer or to effect or aid in any reorganization growing out of the enforcement of the Obligations or any other obligations of the Issuer or the Resolution, whether or not any such committee shall represent the Owners of a majority in principal amount of the Obligations then Outstanding.

**Section A-708. Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than 60 days' written notice to the Issuer and mailing notice thereof to the Owners of the Obligations, specifying the date when such resignation shall take effect, at least 45 days prior to the effective date, provided that such resignation shall take effect upon *the later of* (i) the day specified in such notice and (ii) the day a successor shall have been appointed by the Issuer or the Owners of Obligations as provided in Section A-710 and shall have qualified therefor.

**Section A-709. Removal of Trustee.** The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the

Owners of a majority in principal amount of the Obligations then Outstanding or their attorneys-in-fact duly authorized, excluding any Obligations held by or for the account of the Issuer or any Related Entity. In addition, so long as no Event of Default shall have occurred and be continuing hereunder and the Trustee is not pursuing any right or remedy available to it pursuant to the Resolution, the Trustee may be removed by the Issuer at any time for failure to provide reasonably acceptable services, failure to charge reasonably acceptable fees or any other reasonable cause, all as determined by a certificate of an Authorized Officer filed with the Trustee. Any such removal shall not be effective until a successor shall have been appointed by the Issuer or the Owners of Obligations as provided in Section A-710 and shall have qualified therefor.

### **Section A-710. Appointment of Successor Trustee.**

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Obligations then Outstanding, excluding any Obligations held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed and acknowledged by such Owners of Obligations or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Issuer and the predecessor Trustee; *provided, nevertheless, that* unless a successor Trustee shall have been appointed by the Owners of Obligations as aforesaid, the Issuer by a duly executed written instrument signed by an Authorized Officer of the Issuer shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners of Obligations as authorized in this Section A-710. The Issuer shall mail notice of any such appointment made by it to all Owners within 20 days after such appointment. Any successor Trustee appointed by the Issuer shall, immediately and without further act, be superseded by a Trustee appointed by the Owners of Obligations.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Issuer written notice as provided in Section A-708 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Owner of any Obligation may, at the expense of the Issuer, apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section A-710 in succession to the Trustee shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on

reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

**Section A-711. Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under the resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, or of the successor Trustee, and, upon the payment of all of its charges hereunder, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Any successor Trustee shall promptly notify the Registrar and the Paying Agents of its appointment as Trustee.

**Section A-712. Merger or Consolidation.** Any Person into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its municipal corporate trust business, provided such Person shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution, and shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**Section A-713. Resignation or Removal of Paying Agent or Registrar and Appointment of Successor.** 1. Any Paying Agent or Registrar may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least 60 days' written notice to the Issuer, the Trustee, and the other Paying Agents or Registrar, as the case may be. Any Paying Agent or Registrar may be removed at any time by an instrument filed with such Paying Agent or Registrar and the Trustee and signed by the Issuer. Any successor Paying Agent or Registrar shall be appointed by the Issuer, with the approval of the Trustee, and (subject to the requirements of Section A-603) shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or

is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

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

2. In the event of the resignation or removal of any Registrar, such Registrar shall transfer and deliver all records, certificates and documents held by it as Registrar to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar, the Trustee shall act as such Registrar.

**Section A-714. Adoption of Authentication.** In case any of the Obligations contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Obligations and deliver the Obligations so authenticated; and in case any of such Obligations shall not have been authenticated, any successor Trustee may authenticate such Obligations in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Obligations or in the Resolution provided that the certificate of the Trustee shall have.

**Section A-715. Continuing Disclosure Agreements.** The Trustee shall be entitled to the same rights and the same degree of indemnification in its execution and performance of each continuing disclosure agreement entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, as it is under the Resolution.

## ARTICLE A-VIII.

### DEFAULT AND REMEDIES

**Section A-801. Abrogation of Right to Appoint Statutory Trustee; Preservation of Statutory Rights and Remedies.** Any right of the Owners of Obligations to appoint a trustee under the Issuer Act is hereby abrogated. Subject to the foregoing sentence of this Section A-801 and the provisions of Section 702 of the Resolution, the Owners of Obligations and the Trustee acting on behalf of the Owners of Obligations shall be entitled to all of the rights and remedies provided or permitted by law.

## ARTICLE A-IX.

### MISCELLANEOUS

#### **Section A-901. Defeasance.**

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

2. Outstanding Obligations or any portions thereof for the payment or redemption of which money shall have been set aside and shall be held in trust by the Paying Agents shall at the respective maturity or redemption dates thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section A-901. Outstanding Obligations or any portions thereof shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section either (A) with respect to the defeasance of Taxable Obligations, Tax-Exempt Obligations or otherwise, as provided in the Supplemental Resolution authorizing their issuance or (B) if (a) in case any of said Obligations are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in Article A-IV notice of redemption on said date of such Obligations, (b) there shall have been irrevocably deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal or Redemption Price, if applicable, and interest due and to become due on such Obligations or such portions thereof on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Obligations are not by their terms maturing or are not subject to redemption within the next succeeding 60 days, the Issuer 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 Obligations that the deposit required by (b) above has been made with the Trustee and that said Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal or Redemption Price, if applicable, on such Obligations. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities 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 Obligations; *provided, however*, that any money on deposit with the Trustee, (i) to the extent such money will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge

securing said Obligations or otherwise existing under the Resolution, and (ii) to the extent such money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient, together with any money available to the Trustee for such purpose, to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Obligations on and prior to such redemption date or maturity date thereof, as the case may be. Notwithstanding any other provision hereof, the Issuer may at the time of defeasance elect to retain the right to redeem or require the tender of any obligations deemed paid pursuant to this subsection 2 of Section A-901. The Trustee shall, at the direction of the Issuer, select the Obligations or portions thereof that are deemed to have been paid in advance of the redemption of such Obligations.

3. Anything in the Resolution to the contrary notwithstanding, any money held by a Fiduciary in trust for the payment and discharge of the principal or Redemption Price of or interest on any of the Obligations which remains unclaimed for 2 years after the date when such principal, Redemption Price or interest, respectively, has become due and payable, either at stated maturity dates or by call for earlier redemption, if such money was held by the Fiduciary at such date, or for 2 years after the date of deposit of such money if deposited with the Fiduciary after the date when such principal, Redemption Price, or interest, respectively, became due and payable, shall, at the written request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Obligations shall look only to the Issuer for the payment of such principal, Redemption Price, or interest, respectively. Notwithstanding the foregoing or anything in the Resolution to the contrary, any money held by a Fiduciary in trust for the payment and discharge of any Obligations which remains unclaimed after such money was to be applied to the payment of such Obligations in accordance with the Resolution may be applied in accordance with the provisions of the Abandoned Property Law of the State, being Chapter 1 of the Consolidated Laws of the State or any successor provision thereto, and upon such application, the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Obligations shall look only to the Issuer or the Comptroller of the State for the payment of such Obligations. Before being required to make any such payment to the Issuer or to apply such money in accordance with the Abandoned Property Law of the State, the Fiduciary shall, at the expense of the Issuer, cause to be mailed to the Owners entitled to receive such money a notice that said money remains unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing, the balance of such money then unclaimed will be returned to the Issuer or applied in accordance with the Abandoned Property Law of the State, as the case may be.

### **Section A-902. Evidence of Signatures of Owners of Obligations and Ownership of Obligations.**

1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Owners of Obligations may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners of Obligations in Person or by their attorneys-in-fact appointed in writing or by such electronic or other means as may be recognized pursuant to applicable law. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Obligations shall be sufficient for any purpose of the Resolution (except as otherwise therein

expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Owner or his attorney-in-fact of such instrument may be proved by the certificate of a signature guarantor, or of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership such certificate or affidavit shall also constitute sufficient proof of his authority;

(b) The ownership of Obligations and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

2. Any request or consent by the Owner of any Obligation shall bind all future Owners of such Obligation in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith.

**Section A-903. Money Held for Particular Obligations.** The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Obligations shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of Obligations entitled thereto.

**Section A-904. General Regulations as to Money and Funds.**

1. Each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

2. All amounts of the Issuer held or set aside under the Resolution shall, until paid over to the Fiduciaries or otherwise invested or applied as provided in the Resolution, be deposited by the Issuer in its name, on demand or time deposit, in such Banks as shall be selected by the Issuer. Any amounts held by any Fiduciary under the Resolution shall be deposited in such Banks as the Issuer may select. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks on such deposit with the same force and effect as if it were not such Fiduciary, and without any duty to inquire into whether any withdrawals of such funds are in accordance with or might violate any of the provisions of the Resolution. Such deposits shall be continuously secured by the obligations of the United States of America or of the State, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits, which obligations shall be segregated in trust for the account of the Issuer, or shall be otherwise held as the Issuer and the depository may agree. Securities deposited with the Federal Reserve Bank to secure all trust accounts of a depository shall be deemed to comply with the foregoing requirement.

3. Unless otherwise specified in a Supplemental Resolution authorizing the issuance of Obligations, all money held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer and acceptable to

such Fiduciary, on time deposit, and all such deposits shall be continuously secured by the obligations of the United States of America or of the State which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits. Securities deposited with the Federal Reserve Bank to secure all trust accounts of the Fiduciary shall be deemed to comply with the foregoing requirement. Such Fiduciary shall allow and credit on such money such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

**Section A-905. Preservation and Inspection of Documents.** All documents received by a Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, any other Fiduciary, and any Owners of at least 5% aggregate principal amount of Obligations and their agents and their representatives, any of whom may make copies thereof.

**Section A-906. Parties Interest Herein.** Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to any Person, other than the Issuer, the Fiduciaries, the Owners of Obligations and the holders of Parity Debt, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof, and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries, the Owners of Obligations and the holders of Parity Debt.

**Section A-907. No Recourse on the Obligations.** No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Obligations or Parity Debt or for any claim based thereon or on the Resolution against any member, officer, or employee of the Issuer or any Person executing the Obligations.

**Section A-908. Successors and Assigns.** Whenever in the Resolution the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in the Resolution contained by or on behalf of the Issuer shall bind and ensure to the benefit of its successors and assigns whether so expressed or not.

**Section A-909. Business Days.** Except as otherwise provided pursuant to a Supplemental Resolution, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Resolution, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if made or done on the nominal date provided in the Resolution and no interest shall accrue during the intervening period with respect to any payment so deferred.

**Section A-910. Severability of Invalid Provisions.** If any term or provision of this Annex A or the Resolution shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable

to any extent whatever, and such term and provision shall be valid and enforced to the fullest extent permitted by law.

The invalidity of any one or more phrases, sentences, clauses or Sections of the Resolution shall not affect the remaining portions of the Resolution, or any part hereof, including any part of this Annex A.

**Section A-911. Exclusion of Obligations.** Obligations owned or held by or for the account of the Issuer or any Related Entity shall not be deemed Outstanding for the purpose of any consent to be given or other action to be taken by or upon the direction of Owners of a specified portion of Obligations Outstanding, and the Issuer or any Related Entity shall not be entitled with respect to such Obligations to give any such consent or to take, or direct the taking of, any such action. At the time of any such consent or action, the Issuer shall furnish to the Trustee a certificate of an Authorized Officer, upon which the Trustee may conclusively rely, describing all Obligations so to be excluded.

**Section A-912. Governing Law.** The Resolution, including this Annex A, shall be governed by and interpreted in accordance with internal laws of the State, without regard to conflict of law principles thereof.

**ANNEX B**

**STANDARD RESOLUTION PROVISIONS  
APPLICABLE TO MTA AND TBTA  
SECOND LIEN PMT OBLIGATIONS AND SECOND LIEN PARITY DEBT**

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**STANDARD RESOLUTION PROVISIONS**  
**APPLICABLE TO MTA AND TBTA**  
**SECOND LIEN PMT OBLIGATIONS AND SECOND LIEN PARITY DEBT**

**ARTICLE B-I**

**DEFINITIONS AND STATUTORY AUTHORITY**

**Section B-101 Definitions.** Capitalized terms used but not otherwise defined in this Annex B shall have the meanings set forth in the Resolution to which this Annex B is appended. The following terms shall, for all purposes herein and (except as the context may otherwise require) in the Resolution to which this Annex B is appended, have the following meanings:

**Accrued Second Lien Debt Service** shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued and unpaid Second Lien Obligation Debt Service with respect to all Second Lien Obligations and Second Lien Parity Debt, calculating the accrued Second Lien Obligation Debt Service with respect to Second Lien Obligations at an amount equal to the sum of (i) as estimated by an Authorized Officer, interest on the Second Lien Obligations and interest components of Second Lien Parity Debt accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Second Lien Obligation Principal Installments due and unpaid and that portion of the Second Lien Obligation Principal Installment for such Second Lien Obligations and Second Lien Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Second Lien Obligation Debt Service) to the end of such calendar month. For purposes of calculating deposits relating to Second Lien Debt Service Fund, Second Lien Obligation Principal Installments shall not include amounts that an Authorized Officer has notified the Second Lien Trustee are to be paid from sources other than the Mobility Tax Receipts and ATA Receipts, nor shall Accrued Second Lien Debt Service include any amounts that, as certified by an Authorized Officer, have been set aside hereunder or otherwise in trust for the payment thereof.

**Balloon Second Lien Obligations** shall mean Second Lien Obligations which have been identified in a Certificate of Determination as a Balloon Second Lien Obligation. Such Certificate of Determination shall set forth the expected refinancing, including the expected ultimate final maturity and amortization schedule of the refinancing or refinancings of such Balloon Second Lien Obligation (including successor Balloon Obligations or Balloon Second Lien Obligations) and the Estimated Average Interest Rate for purposes of determining Calculated Second Lien Debt Service of such Balloon Second Lien Obligation.

**Calculated Second Lien Debt Service** for any period shall mean, as of any date of calculation and with respect to any Series of Second Lien Obligations or any Second Lien Parity Debt, the sum of Second Lien Obligation Debt Service for such period determined by the Issuer based on the following adjustments:

- (i) Interest on Variable Interest Rate Second Lien Obligations shall be based on the Second Lien Obligation Estimated Average Interest Rate applicable thereto.

(ii) Interest on any Second Lien Obligations or Second Lien Parity Debt in respect of which the Issuer has entered into a Qualified Second Lien Swap shall be based on:

(a) the fixed rate or rates of the Qualified Second Lien Swap if the Issuer has entered into what is generally referred to as a “floating-to-fixed” Qualified Second Lien Swap (where the Issuer pays a fixed rate and receives a floating rate); or

(b) the lower of (i) the Second Lien Obligation Estimated Average Interest Rate and (ii) the effective capped rate of any Second Lien Obligations or Second Lien Parity Debt if the Issuer has entered into a Qualified Second Lien Swap that is generally referred to as an “interest rate cap” (where the Issuer receives a payment if a variable rate exceeds a certain amount); or

(c) the Second Lien Obligation Estimated Average Interest Rate of the Qualified Second Lien Swap if the Issuer has entered into either what is generally referred to as a “fixed-to-floating” Qualified Second Lien Swap (where the Issuer pays a variable rate and receives a fixed rate) or a “floating-to-floating” Qualified Second Lien Swap (where the Issuer pays a variable rate and receives a different variable rate).

(i) With respect to Second Lien Put Obligations and Balloon Second Lien Obligations of a Series (i) Principal Installments shall be deemed to amortize over a 30-year period from their date of issuance based on substantially level debt service as estimated by the Issuer, and (ii) interest shall be based on the actual interest rate or the Estimated Average Interest Rate, as applicable, or for both (i) and (ii) above, as otherwise set forth in a Supplemental Resolution or Certificate of Determination with respect to the issuance of such Second Lien Obligations.

(ii) If the Issuer has irrevocably deposited Authorized Investments or money with the Second Lien Trustee (or otherwise in trust) for the payment of any portion of Second Lien Obligation Debt Service, the expected future cash flow from such Authorized Investments and money shall be deducted from Second Lien Obligation Debt Service.

(iii) If the Issuer has, at any time, irrevocably called for redemption one or more Series of Second Lien Obligations, including pursuant to a covenant to apply any portion of the Second Lien Obligations Trust Estate to redeem Second Lien Obligations or Second Lien Parity Debt (which particular Second Lien Obligations or Second Lien Parity Debt need not be specifically identified in advance, except as to interest rate and maturity), the Issuer shall take into account such redemption for purposes of determining Calculated Second Lien Debt Service.

(iv) With respect to Parity Reimbursement Second Lien Obligations, accelerated payments of principal shall only be taken into account if, at the time of calculation, such amounts are payable due to a draw under a credit or liquidity facility.

**Capital Appreciation Second Lien Obligations** shall mean any Second Lien Obligations denominated as such and issued as to which interest is payable only at the maturity or prior redemption of such Second Lien Obligations. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Second Lien Obligation Redemption Price if Capital Appreciation Second Lien Obligations are redeemed prior to maturity, (ii) computing the principal amount of Second Lien Obligations held by the registered owner of a Capital Appreciation Second Lien Obligations in giving to the Issuer or the Second Lien Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Second Lien Obligation Debt Service, the principal amount of a Capital Appreciation Second Lien Obligations shall be deemed to be its Second Lien Obligation Accreted Value (which in the case of clause (ii) may be the Second Lien Obligation Accreted Value as of the immediately preceding Second Lien Obligation Valuation Date).

**Certificate of Determination**, when used with reference to Second Lien Obligations or Second Lien Parity Debt, shall mean a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Second Lien Obligations, Second Lien Parity Debt, Second Lien Obligation Anticipation Notes or Second Lien Obligation Credit Facilities or such other matters in accordance with the delegation of power to do so under the Resolution or a Supplemental Resolution.

**Deferred Income Second Lien Obligations** shall mean any Second Lien Obligations (A) as to which interest accruing thereon prior to the Second Lien Obligation Interest Commencement Date of such Second Lien Obligations is (i) compounded on each Second Lien Obligation Valuation Date for such Deferred Income Second Lien Obligations and (ii) payable only at the maturity or prior redemption of such Second Lien Obligations and (B) as to which interest accruing after the Second Lien Obligation Interest Commencement Date is payable on the first interest payment date succeeding the Second Lien Obligation Interest Commencement Date and periodically thereafter on the dates specified in or determined by Supplemental Resolution. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Second Lien Obligation Redemption Price if Deferred Income Second Lien Obligations are redeemed prior to maturity, (ii) computing the principal amount of Second Lien Obligations held by the registered owner of a Deferred Income Second Lien Obligations in giving to the Issuer or the Second Lien Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Second Lien Obligation Debt Service, the principal amount of a Deferred Income Second Lien Obligations shall be deemed to be its Second Lien Obligation Appreciated Value (which in the case of clause (ii) may be the Second Lien Obligation Appreciated Value as of the immediately preceding Second Lien Obligation Valuation Date).

**DTC** has the meaning provided in Section B-309.

**Fiduciary or Fiduciaries**, when used with reference to Second Lien Obligations or Second Lien Party Debt, shall mean the Trustee, the Second Lien Trustee, any Registrar or Second Lien Registrar, any Paying Agent, any Second Lien Paying Agent, any tender agent or any or all of them, as may be appropriate, or any Person appointed to act as a Fiduciary as provided in the Resolution.

**Issuer Act**, when used with reference to Second Lien Obligations or Second Lien Parity Debt, shall mean the MTA Act in the event that the MTA is defined in the Resolution as the Issuer or the TBTA Act in the event that the TBTA is defined in the Resolution as the Issuer, together with any other applicable law of the State authorizing the issuance of the related Second Lien Obligations by the Issuer or expressly limiting the issuance thereof or governing the security therefor.

**Opinion of Bond Counsel**, when used with reference to Second Lien Obligations or Second Lien Parity Debt, shall mean an opinion signed by Nixon Peabody LLP, D. Seaton and Associates, P.A., P.C., Orrick, Herrington & Sutcliffe LLP, and Bryant Rabbino LLP, or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of Second Lien Obligations by state and municipal entities, selected by the Issuer.

**Outstanding**, when used with reference to Second Lien Obligations or Second Lien Obligations of a Series, shall mean, as of any date, Second Lien Obligations or Second Lien Obligations of such Series theretofore or thereupon to be delivered under the Resolution except:

- (i) Any Second Lien Obligations canceled at or prior to such date;
- (ii) Second Lien Obligations the principal and Second Lien Obligation Redemption Price, if any, of and interest on which have been paid in accordance with the terms thereof;
- (iii) Second Lien Obligations in lieu of or in substitution for which other Second Lien Obligations shall have been delivered pursuant to Article B-III or Section B-406 or Section C-606;
- (iv) Second Lien Obligations deemed to have been paid as provided in subsection 2 of Section B-901;
- (v) Second Lien Put Obligations tendered or deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Second Lien Obligations on the applicable tender date, if the Second Lien Obligation Purchase Price thereof and interest thereon shall have been paid or amounts are available and set aside for such payment as provided in such Supplemental Resolution, except to the extent such tendered Second Lien Put Obligations thereafter may be resold pursuant to the terms thereof and of such Supplemental Resolution; and
- (vi) For the purpose of any consent to be given or other action to be taken by or upon the direction of Second Lien Owners of a specified portion of Second Lien Obligations Outstanding, Second Lien Obligations excluded pursuant to Section B-908.

The principal component of any Second Lien Parity Debt shall be deemed to be Outstanding in a principal amount equal to the principal amount of the Second Lien Obligations then owed by the Issuer thereunder in lieu of the related Second Lien Obligations, regardless of the authorized amount of the principal component of such Second Lien Parity Debt or the related

Second Lien Obligations and provided that, unless otherwise required pursuant to the related Supplemental Resolution, the principal component of such Second Lien Parity Debt shall not by itself increase the Outstanding principal amount of Second Lien Obligations.

**Parity Reimbursement Second Lien Obligation** has the meaning provided in subsection 4 of Section B-202.

**Parity Swap Second Lien Obligation** has the meaning provided in subsection 6 of Section B-202.

**Principal Office of the Second Lien Trustee** shall mean the designated corporate trust office of the Second Lien Trustee.

**Qualified Second Lien Swap** shall mean, to the extent from time to time permitted by law, with respect to Second Lien Obligations, any financial arrangement (i) which is entered into by the Issuer with an entity that is a Qualified Second Lien Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate or future rate swap (such swap may be based on an amount equal either to the principal amount of such Second Lien Obligations of the Issuer as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Second Lien Obligations); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Issuer for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Second Lien Obligations or Variable Interest Rate Second Lien Obligations on a synthetic basis or otherwise, and (iii) which has been designated in writing to the Second Lien Trustee by an Authorized Officer as a Qualified Second Lien Swap with respect to such Second Lien Obligations.

**Qualified Second Lien Swap Provider** shall mean an entity whose senior long-term obligations, other senior unsecured long-term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long-term debt obligations, other senior unsecured long-term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Second Lien Swap Provider or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Issuer and the Second Lien Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Second Lien Obligations subject to such Qualified Second Lien Swap that is in effect prior to entering into such Qualified Second Lien Swap.

**Rating Agency**, when used with reference to Second Lien Obligations or Second Lien Parity Debt, shall mean each nationally recognized statistical rating organization then maintaining a rating on the Second Lien Obligations at the request of the Issuer.

**Rating Confirmation**, when used with reference to Second Lien Obligations or Second Lien Parity Debt, shall mean evidence that no rating then in effect from a Rating Agency will be withdrawn or reduced solely as the result of an action to be taken hereunder; provided, however,

that no action requiring Rating Confirmation shall be undertaken unless at least one Rating Agency at that time maintains a rating on Second Lien Obligations.

**Reimbursement Second Lien Obligations** has the meaning provided in subsection 4 of Section B-202.

**Responsible Second Lien Obligation Officer** shall mean any officer assigned to the corporate trust office of the Second Lien Trustee, or any other officer of the Second Lien Trustee customarily performing functions similar to those performed by any of such officers and who has direct responsibility for the administration of the Resolution, and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

**Second Lien Costs of Issuance** shall mean Costs of Issuance as defined in the Standard Resolution Provisions relating to Second Lien Obligations, Second Lien Parity Debt or Second Lien Obligation Anticipation Notes.

**Second Lien Obligation Accreted Value** shall mean with respect to any Capital Appreciation Second Lien Obligations (i) as of any Second Lien Obligation Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Second Lien Obligations and (ii) as of any date other than a Second Lien Obligation Valuation Date, the sum of (a) the Second Lien Obligation Accreted Value on the preceding Second Lien Obligation Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Second Lien Obligation Valuation Date and the denominator of which is the number of days from such preceding Second Lien Obligation Valuation Date to the next succeeding Second Lien Obligation Valuation Date and (2) the difference between the Second Lien Obligation Accreted Values for such Second Lien Obligation Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Second Lien Obligation Valuation Date and the number of days from the preceding Second Lien Obligation Valuation Date to the next succeeding Second Lien Obligation Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

**Second Lien Obligation Anticipation Notes** shall mean any such notes issued and delivered pursuant to Section B-203, except to the extent (but only to the extent) that all or any portion of such notes either are not payable, or are anticipated by the Issuer not to be paid, from the proceeds of the Second Lien Obligations in anticipation of which such notes are being issued.

**Second Lien Obligation Appreciated Value** shall mean with respect to any Deferred Income Second Lien Obligations (i) as of any Second Lien Obligation Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Deferred Income Second Lien Obligations, (ii) as of any date prior to the Second Lien Obligation Interest Commencement Date other than a Second Lien Obligation Valuation Date, the sum of (a) the Second Lien Obligation Appreciated Value on the preceding Second Lien Obligation Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Second Lien Obligation Valuation Date and the denominator of which is the number of days from such preceding Second Lien Obligation Valuation Date to the

next succeeding Second Lien Obligation Valuation Date and (2) the difference between the Second Lien Obligation Appreciated Values for such Second Lien Obligation Valuation Dates, and (iii) as of any date on and after the Second Lien Obligation Interest Commencement Date, the Second Lien Obligation Appreciated Value on the Second Lien Obligation Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Second Lien Obligation Valuation Date and the number of days from the preceding Second Lien Obligation Valuation Date to the next succeeding Second Lien Obligation Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

**Second Lien Obligation Business Day** shall mean any day of the year other than (i) Saturday or Sunday, (ii) any day on which Banks located in New York, New York or the cities in which the Principal Office of the Trustee and the Second Lien Trustee are located are required or authorized by law to remain closed, or (iii) any day on which the New York Stock Exchange is closed.

**Second Lien Obligation Credit Facility** shall mean any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Issuer and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Second Lien Obligations, Second Lien Parity Debt or Second Lien Obligation Anticipation Notes.

**Second Lien Obligation Debt Service** for any period shall mean, as of any date of calculation and with respect to any Series of Second Lien Obligations or any Second Lien Parity Debt Outstanding, the sum of: (i) interest on the Second Lien Obligations of such Series and the interest components of Second Lien Parity Debt accruing during such period and (ii) that portion of each Second Lien Obligation Principal Installment for such Second Lien Obligations and Second Lien Parity Debt that would accrue during such period if such Second Lien Obligation Principal Installment were deemed to accrue daily in equal amounts from the preceding Second Lien Obligation Principal Installment payment date on Outstanding Second Lien Obligations and Second Lien Parity Debt; provided, however, that, unless otherwise set forth in a Supplemental Resolution, no Second Lien Obligation Principal Installment shall be deemed to begin accruing until the later of one year prior to such Second Lien Obligation Principal Installment's due date and the date of issuance or incurrence of the related Second Lien Obligations or Second Lien Parity Debt.

**Second Lien Obligation Debt Service Payment Date** shall mean, with respect to any portion of Second Lien Obligation Debt Service, the date on which the Second Lien Obligation Debt Service shall be payable.

**Second Lien Obligation Defeasance Security** shall mean

- (i) an Authorized Investment as specified in clause (i) of the definition thereof (other than an obligation of the State), which is not redeemable at the option of the issuer thereof,

(ii) an Authorized Investment as specified in clause (i) (which is an obligation of the State), (ii), (iii), (vi) or (vii) of the definition thereof, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency,

(iii) any depositary receipt issued by a Bank as custodian with respect to any Second Lien Obligation Defeasance Security which is specified in clause (i) above and held by such Bank for the account of the holder of such depositary receipt or with respect to any specific payment of principal of or interest on any such Second Lien Obligation Defeasance Security which is so specified and held, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Second Lien Obligation Defeasance Security or the specific payment of principal or interest evidenced by such depositary receipt,

(iv) any certificate of deposit specified in clause (iii) of the definition of Authorized Investments in Section A-101, including certificates of deposit issued by the Trustee, Second Lien Trustee, a Paying Agent or a Second Lien Paying Agent, secured by obligations specified in clause (i) above of a market value equal at all times to the amount of the deposit, which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency, or

(v) any other Authorized Investment designated in a Supplemental Resolution as a Second Lien Obligation Defeasance Security for purposes of defeasing the Second Lien Obligations authorized by such Supplemental Resolution, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency.

**Second Lien Obligation Estimated Average Interest Rate** shall mean, as to any Variable Interest Rate Second Lien Obligations or Qualified Second Lien Swap and as of any date of calculation, the average interest rate or rates anticipated to be borne by such Second Lien Obligations or Qualified Second Lien Obligation Swap, or by the combination of such arrangements, over the period or periods for which such rate or rates are anticipated to be in effect, all as estimated by an Authorized Officer.

**Second Lien Obligation Interest Commencement Date** shall mean, with respect to any particular Deferred Income Second Lien Obligations, the date determined by Supplemental Resolution after which interest accruing on such Second Lien Obligations shall be payable on the first interest payment date succeeding such Second Lien Obligation Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Resolution.

**Second Lien Obligation Principal Installments** shall mean, as of any date of calculation and with respect to any Series of Second Lien Obligations or any Second Lien Parity Debt, as applicable, (a) the principal amount of Outstanding Second Lien Obligations of such Series, due on the dates and in the amounts specified by Supplemental Resolution, reduced by the principal amount of such Second Lien Obligations which would be retired by reason of the payment when due and application in accordance with the Resolution of Second Lien Sinking Fund Installments payable before such dates, plus the unsatisfied balance (determined as provided in Section B-501 of the Resolution) of any Second Lien Sinking Fund Installments due on any certain future date for Second Lien Obligations of such Series, together with such redemption premiums, if any, applicable on any such future date, and (b) with respect to any Second Lien Parity Debt, the amount due thereunder on the dates and in the amounts established in accordance with Section B-202 as a principal component of such Second Lien Parity Debt payable on a parity with the Second Lien Obligations.

**Second Lien Obligation Purchase Price** shall mean, with respect to any Second Lien Obligations, 100% of the principal amount thereof plus accrued interest, if any, plus in the case of a Second Lien Obligation subject to mandatory tender for purchase on a date when such Second Lien Obligations are also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Second Lien Obligations if redeemed on such date.

**Second Lien Obligation Redemption Price** shall mean, with respect to any Second Lien Obligations, 100% of the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof pursuant to the Resolution.

**Second Lien Obligation Valuation Date** shall mean (i) with respect to any Capital Appreciation Second Lien Obligations the date or dates set forth in the Supplemental Resolution authorizing such Second Lien Obligations on which specific Second Lien Obligation Accreted Values are assigned to the Capital Appreciation Second Lien Obligations and (ii) with respect to any Deferred Income Second Lien Obligations, the date or dates on or prior to the Second Lien Obligation Interest Commencement Date set forth in the Supplemental Resolution authorizing such Second Lien Obligations on which specific Second Lien Obligation Appreciated Values are assigned to the Deferred Income Second Lien Obligations.

**Second Lien Obligation Variable Interest Rate** shall mean a variable interest rate to be borne by any Second Lien Obligations. The method of computing such variable interest rate shall be specified in the Supplemental Resolution authorizing such Series of Second Lien Obligations.

**Second Lien Owner**, or any similar terms, shall mean the registered owner of any Second Lien Obligations as shown on the books for the registration and transfer of Second Lien Obligations maintained in accordance with Section B-305.

**Second Lien Parity Debt** shall mean any Parity Reimbursement Second Lien Obligations, any Parity Swap Second Lien Obligations or any other contract, agreement or other Second Lien Obligations of the Issuer designated as constituting "Second Lien Parity Debt" in a certificate of an Authorized Officer delivered to the Second Lien Trustee; provided, however, that any such Parity Reimbursement Second Lien Obligations, Parity Swap Second Lien

Obligations, or other contract, agreement or other Second Lien Obligations shall not constitute Second Lien Parity Debt solely to the extent of any obligation to pay termination or other fees, expenses, indemnification or other similar payments to the counterparty to such arrangement; provided further that Parity Reimbursement Second Lien Obligations may include accelerated principal amortization provisions to the extent permitted by subsection 4 of Section B-202. Each Second Lien Parity Debt shall be payable and secured in a manner permitted by Article V, and any lien on and pledge of any portion of the Second Lien Obligations Trust Estate securing Second Lien Parity Debt shall be junior and inferior to the lien on and pledge of the Obligations Trust Estate created for the payment of the Obligations and Parity Debt.

**Second Lien Paying Agent** shall mean any paying agent for the Second Lien Obligations of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

**Second Lien Put Obligations** shall mean Second Lien Obligations which by their terms may be tendered at the option of the Second Lien Owner thereof, or are subject to a mandatory tender other than at the election of the Issuer or a Related Entity, for payment or purchase prior to the stated maturity or redemption date thereof.

**Second Lien Registrar** shall mean any registrar for the Second Lien Obligations of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

**Second Lien Sinking Fund Installment** shall mean, as of a particular date, any Second Lien Sinking Fund Installment established pursuant to paragraph (m) of subsection 1 of Section B-201.

**Securities Depository** shall mean a recognized securities depository selected by the Issuer to maintain a book-entry system in respect to all or any portion of a Series of Second Lien Obligations (including, as appropriate, any nominee thereof), and shall include any substitute for or successor to the Securities Depository initially acting as Securities Depository.

**Series**, when used with reference to Second Lien Obligations or Second Lien Parity Debt, shall mean all of the Second Lien Obligations delivered on original issuance pursuant to a single Supplemental Resolution and denominated therein a single series, and any Second Lien Obligations thereafter delivered in lieu of or in substitution therefor pursuant to Article B-III or Section B-406 or Section C-606, regardless of variations in maturity, interest rate, or other provisions.

**Taxable Second Lien Obligations** shall mean any Second Lien Obligations which are not Tax-Exempt Second Lien Obligations.

**Tax-Exempt Second Lien Obligations** shall mean any Second Lien Obligations the interest on which is intended by the Issuer to be generally excluded from gross income for federal income tax purposes and which are designated as Tax-Exempt Second Lien Obligations in the Supplemental Resolution authorizing such Second Lien Obligations.

**Variable Interest Rate Second Lien Obligations** shall mean Second Lien Obligations which bear a Variable Interest Rate.

**Section B-102 Rules of Construction.**

1. This Annex B constitutes an integral part of the Resolution and, except to the extent provided in the next two sentences, has the same force and effect as if set forth in the forepart of the Resolution. To the extent expressly provided in the Resolution (not including this Annex B), the Issuer may negate, amend or modify any provision of this Annex B. In the event of any conflict between this Annex B and the forepart of the Resolution, the forepart of the Resolution shall control. In the event of any conflict between this Annex B and Annex A in respect of Second Lien Obligations or Second Lien Parity Debt, this Annex B shall control.

2. Second Lien Obligations shall constitute Subordinated Indebtedness for all purposes of Annex A.

**Section B-103 Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any and all of the Second Lien Obligations and Second Lien Parity Debt authorized to be issued hereunder by those who are Second Lien Owners of the Second Lien Obligations and Second Lien Parity Debt from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Second Lien Owners and the holders of Second Lien Parity Debt from time to time; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Second Lien Owners of any and all of the Second Lien Obligations and Second Lien Parity Debt, all of which, regardless of the time or times of their authentication, issuance and delivery, or maturity, shall be of equal rank without preference, priority or distinction of any of the Second Lien Obligations or Second Lien Parity Debt over any other Second Lien Obligations or Second Lien Parity Debt, except as expressly provided in or permitted by the Resolution.

**ARTICLE B-II**

**GENERAL PROVISIONS FOR ISSUANCE OR INCURRENCE OF  
SECOND LIEN OBLIGATIONS, SECOND LIEN PARITY DEBT AND SECOND LIEN  
OBLIGATION ANTICIPATION NOTES**

**Section B-201 General Provisions for Issuance of Second Lien Obligations.**

1. Second Lien Obligations may be issued pursuant to a Supplemental Resolution in such principal amount or amounts for each Series or subseries as may be specified in such Supplemental Resolution. Second Lien Obligations of any Series or subseries shall be authorized by a Supplemental Resolution which shall specify, among other things, the following matters (or the manner of determining such matters):

(a) The authorized principal amount, designation and Series of such Second Lien Obligations;

(b) The purpose or purposes for which such Second Lien Obligations are being issued which shall be one or more of the purposes set forth in Section 201;

(c) The dates and the maturity dates of the Second Lien Obligations of such Series;

(d) If the Second Lien Obligations of such Series are interest bearing Second Lien Obligations, the interest rates of the Second Lien Obligations of such Series and the interest payment dates therefor;

(e) If Second Lien Obligations of such Series are Capital Appreciation Second Lien Obligations, the Second Lien Obligation Valuation Dates for such Second Lien Obligations and the Second Lien Obligation Accreted Value on each such Second Lien Obligation Valuation Date;

(f) If Second Lien Obligations of such Series are Deferred Income Second Lien Obligations, the Second Lien Obligation Interest Commencement Date for such Second Lien Obligations, the Second Lien Obligation Valuation Dates prior to the Second Lien Obligation Interest Commencement Date for such Second Lien Obligations and the Second Lien Obligation Appreciated Value on each such Second Lien Obligation Valuation Date;

(g) If Second Lien Obligations of such Series are Capital Appreciation Second Lien Obligations or Deferred Income Second Lien Obligations, the manner in which and the period during which principal and interest shall be deemed to accrue on such Second Lien Obligations;

(h) If Second Lien Obligations of such Series are Variable Interest Rate Second Lien Obligations, the maximum interest rate, if any, or the method of calculating such maximum rate for such Second Lien Obligations, and the provisions, if any, as to the calculation or change of Second Lien Obligation Variable Interest Rates;

(i) If Second Lien Obligations of such Series are Second Lien Put Obligations, provisions regarding tender for purchase or redemption thereof and payment of the purchase or Second Lien Obligation Redemption Price thereof;

(j) The denominations of, and the manner of dating, numbering and lettering, the Second Lien Obligations of such Series;

(k) The Second Lien Paying Agents, if any, and the places of payment of the principal and Second Lien Obligation Redemption Price, if any, of, and interest on, the Second Lien Obligations of such Series;

(l) The Second Lien Obligation Redemption Prices, if any, and the redemption terms, if any, for the Second Lien Obligations of such Series, provided that Second Lien Obligations of any maturity for which Second Lien Sinking Fund Installments shall be established pursuant to paragraph (m) of this subsection 1 shall in any event be redeemable, or payable at maturity, by application of the Second Lien

Sinking Fund Installments for such Second Lien Obligations on the due dates of such Second Lien Sinking Fund Installments;

(m) The amount and due date of each Second Lien Sinking Fund Installment, if any, for Second Lien Obligations of like maturity of such Series;

(n) Provisions necessary to authorize, in compliance with all applicable law, Second Lien Obligations of such Series to be issued in the form of Second Lien Obligations issued and held in book-entry form on the books of the Issuer or any Fiduciary appointed for that purpose by the Issuer and, in connection therewith, make such additional changes in the Resolution, not adverse to the rights of the Second Lien Owners, as are necessary or appropriate to accomplish or recognize such book-entry form Second Lien Obligations and specify and determine the matters and things relative to the issuance of such book-entry form Second Lien Obligations as are appropriate or necessary;

(o) To the extent applicable, the provisions relating to (a) any Second Lien Obligation Credit Facility, Qualified Second Lien Swap or other financial arrangement entered into in connection with the issuance of the Second Lien Obligations of such Series and (b) the obligations payable thereunder;

(p) The amount, if any, to be deposited in the Second Lien Obligations Proceeds Fund or any Account therein;

(q) If so determined by the Issuer, provisions for the application of any money available therefor to the purchase, exchange or redemption of Second Lien Obligations of such Series and for the order of purchase, exchange or redemption of such Second Lien Obligations;

(r) If so determined by the Issuer, provisions for the sale of the Second Lien Obligations of such Series;

(s) The forms of the Second Lien Obligations of such Series and of the Second Lien Trustee's certificate of authentication if other than as provided in Section 301; and

(t) Such other matters, not contrary to or inconsistent with the Resolution, as the Issuer may deem advisable or necessary in connection with the authorization, issuance, sale, or delivery of such Series of Second Lien Obligations.

An Authorized Officer to whom a Supplemental Resolution has delegated the power to determine any of the foregoing shall execute a Certificate of Determination evidencing such determinations or other actions taken pursuant to the delegation under such Supplemental Resolution, and such Certificate of Determination shall be conclusive evidence of the terminations or actions of such Authorized Officer as to the matters stated therein. The matters set forth in any such Certificate of Determination shall have the same effect as if set forth in the related Supplemental Resolution.

2. The Second Lien Obligations may be sold in one or more Series or subseries (each of which shall contain a designation distinguishing it from other Series or subseries) and shall be delivered by the Issuer under the Resolution but only upon receipt by the Second Lien Trustee of

(a) An Opinion of Bond Counsel in customary form to the effect that (i) the Issuer has the right and power under the Issuer Act to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, and is valid and binding upon the Issuer, and enforceable in accordance with its terms, and no other authorization for the Resolution is required as of the date thereof; (ii) the Resolution creates the valid pledge which it purports to create of the Second Lien Obligations Trust Estate in the manner and to the extent provided in Section 501; (iii) the Second Lien Obligations are valid and binding obligations of the Issuer, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Issuer Act and the Resolution, each as amended to the date of such Opinion of Bond Counsel; and (iv) such Second Lien Obligations have been duly and validly authorized and issued in accordance with law and the Resolution;

(b) A copy of the Supplemental Resolution authorizing such Second Lien Obligations, certified by an Authorized Officer;

(c) A written order of the Issuer as to the delivery of the Second Lien Obligations, signed by an Authorized Officer;

(d) A certificate of an Authorized Officer to the effect that, upon the delivery of the Second Lien Obligations of such Series (i) no event which constitutes a default under the Resolution or any of the Second Lien Obligations shall have occurred and be continuing or, if such an event is continuing, upon issuance of the Second Lien Obligations such default shall be cured, and (ii) no such event would result from the authentication and delivery of the Second Lien Obligations of such Series;

(e) If any Second Lien Obligations are Variable Interest Rate Second Lien Obligations or a Qualified Second Lien Swap is being entered into that will result in a variable interest rate obligation of the Issuer, a determination by an Authorized Officer of the Second Lien Obligation Estimated Average Interest Rate;

(f) If any Second Lien Obligations of such Series are Second Lien Put Obligations, a determination by an Authorized Officer of the method or methods to be employed to provide for the purchase or redemption of all Second Lien Put Obligations of such Series if the Second Lien Owners thereof elected to tender for purchase or redemption the entire aggregate Outstanding principal amount of the Second Lien Put Obligations of such Series; and

(g) Such further documents and money as are required by the provisions of Article II, this Article B-II or Article C-V.

3. If Second Lien Obligations are to be listed on a domestic or foreign stock exchange, the Authorized Officers are hereby authorized to take all such actions as they deem

necessary or appropriate to comply with the listing requirements of such exchange, including the appointment of a member of such exchange as listing agent, the publication where required by such exchange of all redemption notices, the appointment of a special clearing agent and paying agent, and the execution of an undertaking letter with such exchange.

4. The Second Lien Obligations shall not be a debt of the State or the City and neither the State nor the City shall be liable thereon, nor shall Second Lien Obligations be payable out of any funds other than those of the Issuer as provided in the Resolution.

**Section B-202 Second Lien Obligation Credit Facilities; Qualified Second Lien Swaps and Other Similar Arrangements; Second Lien Parity Debt.**

1. The Issuer may include such provisions in a Supplemental Resolution authorizing the issuance of a Series of Second Lien Obligations secured by a Second Lien Obligation Credit Facility as the Issuer deems appropriate, and no such provisions shall be deemed to constitute an amendment to the Resolution requiring action under Article C-V or Article C-VI, including:

(a) So long as the Second Lien Obligation Credit Facility is in full force and effect and payment on the Second Lien Obligation Credit Facility is not in default, then (i) the issuer of the Second Lien Obligation Credit Facility shall be deemed to be the sole owner of the Outstanding Second Lien Obligations the payment of which such Second Lien Obligation Credit Facility secures or (ii) in the alternative or with respect to particular matters, the approval, consent or action of the issuer of the Second Lien Obligation Credit Facility shall be required in addition to the approval, consent or action of the applicable percentage of the Second Lien Owners of the Outstanding Second Lien Obligations, in either case when the approval, consent or action of the Second Lien Owners for such Second Lien Obligations is required or may be exercised under the Resolution including Section B-803 hereof and following a Second Lien Obligations Event of Default hereunder; provided, however, that no issuer of a Second Lien Obligation Credit Facility shall be deemed to be the sole owner of Outstanding Second Lien Obligations pursuant to this provision in the event that the Second Lien Obligation Credit Facility or Second Lien Obligation Credit Facilities securing such Second Lien Obligations provide only liquidity support.

(b) In the event that the principal, Second Lien Sinking Fund Installments, if any, and Second Lien Obligation Redemption Price, if applicable, and interest due on any Outstanding Second Lien Obligations (or Second Lien Obligation Purchase Price of any Outstanding Second Lien Obligations to the extent the issuer of the Second Lien Obligation Credit Facility has not been reimbursed) shall be paid under the provisions of the Second Lien Obligation Credit Facility, all covenants, agreements and other Second Lien Obligations of the Issuer to the Second Lien Owners of such Second Lien Obligations shall continue to exist and such issuer of the Second Lien Obligation Credit Facility shall be subrogated to the rights of such Second Lien Owners in accordance with the terms of such Second Lien Obligation Credit Facility.

2. In addition, such Supplemental Resolution may establish such provisions as are necessary (i) to comply with the provisions of each such Second Lien Obligation Credit Facility,

(ii) to provide relevant information to the issuer of the Second Lien Obligation Credit Facility, (iii) to provide a mechanism for paying Second Lien Obligation Principal Installments and interest on Second Lien Obligations secured by the Second Lien Obligation Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the issuer of a Second Lien Obligation Credit Facility.

3. The Issuer may enter into such agreements with the issuer of such Second Lien Obligation Credit Facility providing for, *inter alia*: (i) the payment of fees and expenses to such issuer for the issuance of such Second Lien Obligation Credit Facility, (ii) the terms and conditions of such Second Lien Obligation Credit Facility and the Second Lien Obligations affected thereby, and (iii) the security, if any, to be provided for the issuance of such Second Lien Obligation Credit Facility.

4. The Issuer may secure such Second Lien Obligation Credit Facility by an agreement providing for the purchase of the Second Lien Obligations secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Issuer in the applicable Supplemental Resolution. The Issuer may also in an agreement with the issuer of such Second Lien Obligation Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Second Lien Obligation Credit Facility (together with interest thereon, the "Reimbursement Second Lien Obligations"); *provided, however*, that no amounts shall be payable by the Issuer under a Reimbursement Second Lien Obligation for purposes of the Resolution, until amounts are paid under such Second Lien Obligation Credit Facility by the issuer thereof as determined by Supplemental Resolution, any such Reimbursement Second Lien Obligations, which may include interest calculated at a rate higher than the interest rate on the related Second Lien Obligations and accelerated principal amortization, (i) may be secured by a pledge of, and a lien on, the Second Lien Obligations Trust Estate on a parity with the lien created by Section 501 of the Resolution to secure the Second Lien Obligations (a "Parity Reimbursement Second Lien Obligation"), but only to the extent that (prior to any acceleration of all Second Lien Obligations, if permitted) any principal amortization requirements are *either* (A) commensurate with the amortization requirements for such related Second Lien Obligations, without acceleration or (B) accelerated to no greater extent than to require repayment in equal principal installments over 5 or more years, or (ii) may constitute an Other Subordinated Contract Obligation, as determined by the Issuer. Parity Reimbursement Second Lien Obligations shall not include any payments (other than interest calculated at a higher rate pursuant to a Second Lien Obligation Credit Facility) (x) of any fees or expenses, (y) pursuant to any indemnification provisions or (z) pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than permitted by clauses (A) and (B) of the preceding sentence, and any such payments of the items specified in clauses (x), (y) or (z) shall constitute Subordinated Contract Obligations.

5. Any such Second Lien Obligation Credit Facility shall be for the benefit of and secure such Second Lien Obligations or portion thereof as specified in any applicable Supplemental Resolution.

6. In connection with the issuance of any Second Lien Obligations or at any time thereafter so long as Second Lien Obligations remain Outstanding, the Issuer may, to the extent

permitted pursuant to law, from time to time enter into Qualified Second Lien Swaps. The Issuer's obligation to pay any amount under any Qualified Second Lien Swap may be secured by a pledge of, and a lien on the Second Lien Obligations Trust Estate on a parity with the lien created by Section 501 of the Resolution to secure the Second Lien Obligations (a "Parity Swap Second Lien Obligation"), or may constitute a Second Lien Parity Debt, as determined by the Issuer. Parity Swap Second Lien Obligations shall not include any payments of (x) of any fees or expenses, (y) pursuant to any indemnification provisions or (z) any termination payments or other obligations to a counterparty to a Qualified Second Lien Swap, which payments shall be Subordinated Contract Obligations.

7. Second Lien Parity Debt shall not be a debt of the State or the City and neither the State nor the City shall be liable thereon, nor shall Second Lien Parity Debt be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution.

8. Except to the extent that an Authorized Officer directs that such amounts be deposited in any other Fund or Account pledged to the payment of Second Lien Obligations, any amounts paid to the Issuer under a Qualified Second Lien Swap shall be deposited in the Second Lien Obligations Debt Service Fund.

9. To the extent applicable and not readily apparent with respect any Second Lien Parity Debt, either the terms of such Second Lien Parity Debt shall specify (or an Authorized Officer shall specify in writing) the interest and principal components of or the scheduled payments corresponding to principal and interest under such Second Lien Parity Debt or the manner of determining the foregoing.

**Section B-203 Second Lien Obligation Anticipation Notes.** Whenever the Issuer shall have, by Supplemental Resolution, authorized the issuance of a Series of Second Lien Obligations, the Issuer may by resolution authorize the issuance of Second Lien Obligation Anticipation Notes in anticipation of the issuance of such authorized Series of Second Lien Obligations, in a principal amount not exceeding the principal amount of the Second Lien Obligations of such Series so authorized. The principal of and premium, if any, and interest on such Second Lien Obligation Anticipation Notes and any renewals of such Second Lien Obligation Anticipation Notes shall be payable only from any or all of the following items designated by the Issuer at or prior to issuance of any such series of Second Lien Obligation Anticipation Notes: (i) the proceeds of any renewals of such Second Lien Obligation Anticipation Notes issued to repay such Second Lien Obligation Anticipation Notes, (ii) the proceeds of the sale of the Series of Second Lien Obligations, Refunding Obligations or Refunding Second Lien Obligations or other obligations in anticipation of which such Second Lien Obligation Anticipation Notes are issued or expected to be refinanced or restructured, (iii) amounts available to pay Other Subordinated Obligations, or (iv) any other money available therefor and not pledged under the Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Second Lien Obligation Anticipation Notes, and any such pledge of the items set forth in clauses (i) and (ii) shall have priority over any other pledge created by the Resolution, including Section 501. In any case, such Second Lien Obligation Anticipation Notes shall be retired or provision shall be made for their retirement not later than the date of authentication and delivery of the Series of Second Lien Obligations in anticipation of which

they are issued. The proceeds of the sale of Second Lien Obligation Anticipation Notes other than renewals thereof shall be applied to the purposes for which the Second Lien Obligations, Refunding Obligations or Refunding Second Lien Obligations or other obligations in anticipation of which such Second Lien Obligation Anticipation Notes are authorized and shall be deposited in the appropriate Fund or Account established by the Resolution for such purposes or, if so provided in the resolution authorizing renewals of Second Lien Obligation Anticipation Notes issued to pay outstanding Second Lien Obligation Anticipation Notes, applied directly to such payment. Investment earnings from any amounts on deposit in any Fund or Account under the Resolution representing the proceeds of any Second Lien Obligation Anticipation Notes shall be applied in the manner set forth in the resolution authorizing such Second Lien Obligation Anticipation Notes.

## **ARTICLE B-III**

### **GENERAL TERMS AND PROVISIONS OF SECOND LIEN OBLIGATIONS**

Except as otherwise provided by Supplemental Resolution, the Second Lien Obligations and Second Lien Parity Debt shall be subject to the terms and provisions of the Standard Resolutions Provisions and these Supplemental Standard Resolution Provisions.

#### **Section B-301 Medium of Payment; Form and Date.**

1. The Second Lien Obligations and Second Lien Parity Debt shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts (or to the extent permitted by law, in any other coin or currency authorized pursuant to a Supplemental Resolution for Second Lien Obligations and related Second Lien Parity Debt).

2. Second Lien Obligations shall be issued in the form of fully registered Second Lien Obligations without coupons. Second Lien Obligations, the certificate of authentication, if any, and the form of assignment shall be in substantially the form provided for in Exhibit Two of the Resolution with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or thereby or are required by law, and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the officers executing such Second Lien Obligations, as evidenced by their execution of the Second Lien Obligations. Any portion of the text of any Second Lien Obligations may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such security evidencing Second Lien Obligations, or as multiple pages (with or without such a reference). Second Lien Obligations may be typewritten, printed, engraved, lithographed or otherwise produced.

3. Second Lien Obligations shall be dated, and shall bear or not bear interest, as provided in the Supplemental Resolution authorizing such Second Lien Obligations.

**Section B-302 Legends.** Second Lien Obligations may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions

of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Issuer.

**Section B-303 Execution and Authentication.**

1. The Second Lien Obligations shall be executed in the name of the Issuer by the manual or facsimile signature of an Authorized Officer or in such other manner as may be required by law or specified in a Supplemental Resolution. In case any of the officers who shall have signed any of the Second Lien Obligations shall cease to be such officer before the Second Lien Obligations so signed shall have been actually delivered, such Second Lien Obligations may, nevertheless, be delivered as herein provided, and may be issued as if the Persons who signed such Second Lien Obligations had not ceased to hold such offices. Any Second Lien Obligations may be signed on behalf of the Issuer by such Persons as at the actual time of the execution of such Second Lien Obligations shall be duly authorized or hold the proper office in the Issuer, although at the date of the Second Lien Obligations such Persons may not have been so authorized or have held such office.

2. Second Lien Obligations of each Series shall bear thereon a certificate of authentication, executed manually by the Second Lien Trustee. Only such Second Lien Obligations as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Second Lien Obligations shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Second Lien Trustee. Such certificate of the Second Lien Trustee upon any Second Lien Obligations executed on behalf of the Issuer shall be conclusive evidence that the Second Lien Obligations so authenticated has been duly authenticated and delivered under the Resolution and that the Second Lien Owner thereof is entitled to the benefits of the Resolution.

**Section B-304 Interchangeability of Second Lien Obligations.** Second Lien Obligations, upon surrender thereof at the office of the Second Lien Registrar with a written instrument of transfer satisfactory to the Second Lien Registrar, duly executed by the Second Lien Owner or his duly authorized attorney, may, at the option of such Second Lien Owner, be exchanged for an equal aggregate principal amount of Second Lien Obligations of the same Series, maturity and interest rate of any other authorized denomination.

**Section B-305 Negotiability, Transfer and Registry.** All the Second Lien Obligations issued under the Resolution shall be negotiable, subject to the provisions for registration and registration of transfer contained in the Resolution and in the Second Lien Obligations. So long as any of the Second Lien Obligations shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Second Lien Registrar, books for the registration and registration of transfer of Second Lien Obligations; and, upon presentation thereof for such purpose at said office and under such reasonable regulations as it or the Second Lien Registrar may prescribe, the Issuer shall register or cause to be registered therein, and permit to be transferred thereon, the registration of any Second Lien Obligations entitled to registration or registration of transfer. So long as any of the Second Lien Obligations remain Outstanding, the Issuer shall make all necessary provision to permit the exchange of Second Lien Obligations at the office of the Second Lien Registrar.

### **Section B-306      Transfer of Second Lien Obligations.**

1.      The transfer of each Second Lien Obligations shall be registerable only upon the books of the Issuer, which shall be kept by the Second Lien Registrar, by the Second Lien Owner thereof in person or by his attorney authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Second Lien Registrar executed by the Second Lien Owner or his authorized attorney. Upon the registration of transfer of any such Second Lien Obligations, the Issuer shall issue in the name of the transferee a new Second Lien Obligation of the same aggregate principal amount, Series, maturity and interest rate as the surrendered Second Lien Obligation.

2.      The Issuer and each Fiduciary may deem and treat the Person in whose name any Outstanding Second Lien Obligations shall be registered upon the books of the Issuer as the absolute owner of such Second Lien Obligations, whether such Second Lien Obligations shall be overdue or not, for the purpose of receiving payment of or on account of the principal and Second Lien Obligation Redemption Price, if any, of and interest on such Second Lien Obligations and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Second Lien Obligations to the extent of the sum or sums so paid, and neither the Issuer nor any Fiduciary shall be affected by any notice to the contrary. The Issuer agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, unless acting in bad faith or with negligence under the Resolution, in so treating such registered owner.

**Section B-307      Regulations With Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging Second Lien Obligations or registering the transfer of Second Lien Obligations is exercised, the Issuer shall execute and the Second Lien Registrar shall deliver Second Lien Obligations in accordance with the provisions of the Resolution. All Second Lien Obligations surrendered in any such exchanges or registrations of transfer shall forthwith be canceled by the Second Lien Registrar. For every such exchange or registration of transfer of Second Lien Obligations, whether temporary or definitive, the Issuer or the Second Lien Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

**Section B-308      Second Lien Obligations Mutilated, Destroyed, Stolen or Lost.** In case any Second Lien Obligations shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Second Lien Trustee and Second Lien Registrar shall deliver, a new Second Lien Obligations of like tenor, Series, maturity, interest rate and principal amount as the Second Lien Obligations so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Second Lien Obligations, upon surrender and cancellation of such mutilated Second Lien Obligations, or in lieu of and substitution for the Second Lien Obligations destroyed, stolen or lost, upon filing with the Second Lien Trustee and Second Lien Registrar evidence satisfactory to the Issuer and the Second Lien Trustee and Second Lien Registrar that such Second Lien Obligations has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Issuer and the Second Lien Trustee and Second Lien Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the Issuer and the Second Lien Trustee and Second Lien Registrar may prescribe and paying such

expenses as the Issuer and Second Lien Trustee and Second Lien Registrar may incur. All Second Lien Obligations so surrendered to the Second Lien Registrar shall be canceled by it. If any such Second Lien Obligations shall have matured, or if such Second Lien Obligations shall have been called for redemption or a redemption date pertaining thereto shall have passed, instead of issuing a new Second Lien Obligation the Issuer may cause the same to be paid without surrender thereof upon indemnity satisfactory to the Issuer and the Second Lien Trustee. Any such new Second Lien Obligations issued pursuant to this Section in substitution for Second Lien Obligations alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Issuer, whether or not the Second Lien Obligations so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Second Lien Obligations issued under the Resolution, in any money or securities held by the Issuer or the Fiduciary for the benefit of the Second Lien Owners.

**Section B-309 Book-Entry-Only System.** The Issuer may employ a book-entry-only system of registration with respect to any Second Lien Obligations and may utilize the procedures regarding such registration set forth in this Section B-309, as such procedures may be modified or superseded pursuant to the Supplemental Resolution authorizing such Second Lien Obligations. Any provisions of the Resolution inconsistent with book-entry-only Second Lien Obligations shall not be applicable to such book-entry-only Second Lien Obligations.

Any Authorized Officer is hereby authorized to take all actions required for each Series of Second Lien Obligations to be eligible under the rules and regulations of The Depository Trust Company (“DTC”), 55 Water Street, New York, New York, for investment and trading as uncertificated securities. DTC is hereby appointed as the initial Securities Depository for the obligations, with Cede & Co., a nominee thereof, being the initial registered owner of the Second Lien Obligations. In the event that any Securities Depository resigns or is removed, any Authorized Officer may select a substitute Securities Depository. The Issuer and any Fiduciary, and any agent of the Issuer or any Fiduciary, may treat any Securities Depository in whose name any Second Lien Obligation is registered as the owner of such Second Lien Obligations for all purposes under the Resolution. For so long as the Securities Depository is the registered owner of the Second Lien Obligations, procedures with respect to the transmission of notices and the transfer of ownership of, redemption of and payment of principal or Second Lien Obligation Redemption Price, if any, of and interest on such Second Lien Obligations so held shall be in accordance with arrangements among the Second Lien Trustee, the Issuer and the Securities Depository.

So long as the Second Lien Obligations are registered in the name of the Securities Depository, the Issuer and the Second Lien Trustee shall have no responsibility or obligation to any Securities Depository participant, indirect participant or beneficial owner of the Second Lien Obligations. Without limiting the immediately preceding sentence, the Issuer and the Second Lien Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of any Securities Depository or any Securities Depository participant or indirect participant with respect to any beneficial ownership interest in the Second Lien Obligations, (ii) the delivery to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any notice with respect to the Second Lien Obligations, including any notice of redemption or tender, or (iii) the payment to any

Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository, of any amount with respect to the principal of or Second Lien Obligation Redemption Price or interest on the Second Lien Obligations.

The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of any Securities Depository with respect to any Series of Second Lien Obligations. Notice of such termination shall be given by the Issuer to the Second Lien Trustee prior to or simultaneously with such termination. In the event the book-entry only system is discontinued with respect to the Second Lien Obligations, principal and Redemption Price of and interest on the Second Lien Obligations shall be paid as provided in the Resolution.

Consistent with DTC book-entry provisions, one or more typewritten certificates shall be prepared for each maturity of the Second Lien Obligations of a Series and registered in the name of the Securities Depository. There shall be no physical distribution of bond or other certificates to beneficial owners of such Second Lien Obligations. In the event that the Second Lien Obligations do not qualify to be held by the Securities Depository or that either the Issuer determines to discontinue the book-entry only system or DTC determines to discontinue providing its service with respect to the Second Lien Obligations and there is no successor Securities Depository, the bond or other certificates shall be delivered in the form required by the Resolution.

Unless otherwise directed by an Authorized Officer, "CUSIP" or other recognized identification numbers ("CUSIP numbers") will be imprinted on the Second Lien Obligations, but such numbers shall not constitute a part of the contract evidenced by the Second Lien Obligations and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Second Lien Obligations. As a convenience to the Second Lien Owners, the Issuer and the Second Lien Trustee may use such CUSIP numbers in any notices to the Second Lien Owners, including any notices of redemption of the Second Lien Obligations. Failure on the part of the Issuer or the Second Lien Trustee to use such CUSIP numbers in any notice to Second Lien Owners shall not constitute a Second Lien Obligations Event of Default or any similar violation of the Issuer's contract with such Second Lien Owners. The Issuer will promptly notify the Second Lien Trustee of any change in the CUSIP numbers.

## **ARTICLE B-IV**

### **REDEMPTION AND TENDER OF SECOND LIEN OBLIGATIONS**

**Section B-401 Privilege of Redemption and Second Lien Obligation Redemption Price.** Except as otherwise provided in the Resolution or a Supplemental Resolution, Second Lien Obligations subject to redemption pursuant to a Supplemental Resolution shall be subject to redemption only in accordance with this Article B-IV.

Second Lien Obligations subject to redemption prior to maturity pursuant to a Supplemental Resolution shall be redeemable, upon written notice as provided in this Article B-IV, at such times, at such Second Lien Obligation Redemption Prices and upon such

terms as may be specified in the Supplemental Resolution authorizing such Second Lien Obligations.

**Section B-402 Redemption at the Election of the Issuer; Tender to Related Entities.** In the case of any redemption of Second Lien Obligations at the election of the Issuer, the Issuer shall give written notice to the Second Lien Trustee of its election so to redeem, of the redemption date, of the Series, of the principal amounts of the Second Lien Obligations of each maturity and interest rate of such Series to be redeemed (which Series, maturities, interest rates and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitations with respect thereto contained in any Supplemental Resolution). Such notice shall be given at least 45 days prior to the redemption date or such shorter period as may be provided in the Supplemental Resolution or as shall be acceptable to the Second Lien Trustee. In the event notice of redemption shall have been given as in Section B-405 provided but subject to the second paragraph of Section B-405, the Issuer shall on or prior to the redemption date cause to be paid out to the appropriate Second Lien Paying Agent or Second Lien Paying Agents out of money available therefor an amount in cash which, in addition to other money, if any, available therefor held by such Second Lien Paying Agent or Second Lien Paying Agents, will be sufficient to redeem on the redemption date at the Second Lien Obligation Redemption Price thereof, all of the Second Lien Obligations to be redeemed.

The Issuer may, in its sole discretion, purchase or grant to any Related Entity the option to purchase, at any time and from time to time, any Second Lien Obligations which are redeemable at the election of the Issuer at a purchase price equal to the redemption price therefor. To exercise any such option, the Issuer or the Related Entity shall give the Second Lien Trustee a written request exercising such option within the time periods specified in the related Supplemental Resolution as though such written request were a written request of the related Issuer for redemption, and the Second Lien Trustee shall thereupon give the Second Lien Owners of the Second Lien Obligations to be purchased notice of such purchase in the manner specified in the related Supplemental Resolution as though such purchase were a redemption. On the date fixed for purchase pursuant to any exercise of such an option, the Issuer or the Related Entity shall pay the purchase price of the Second Lien Obligations then being purchased to the Second Lien Trustee in immediately available funds, and the Second Lien Trustee shall pay the same to the sellers of such Second Lien Obligations against delivery thereof. Following such purchase, the Second Lien Trustee shall cause such Second Lien Obligations to be registered in the name of the Issuer or the Related Entity or its nominee and shall deliver them to the Issuer, the Related Entity or its nominee. Except to the extent otherwise directed by an Authorized Officer, no purchase of Second Lien Obligations pursuant to such an option shall operate to extinguish the indebtedness of the Issuer evidenced thereby. Any such option to purchase by a Related Entity either shall be conditioned on the provision of sufficient money therefor by the Related Entity or shall be an obligation of the Issuer in the event that the Related Entity does not provide sufficient money therefor.

**Section B-403 Redemption Otherwise Than at the Issuer's Election.** Whenever by the terms of the Resolution Second Lien Obligations are required to be redeemed otherwise than at the election of the Issuer, the Second Lien Trustee shall select the Second Lien Obligations to be redeemed, give the notice of redemption and pay out of money available therefor the Second Lien Obligation Redemption Price to the appropriate Second Lien Paying Agents in accordance

with the terms of this Article B-IV. The Second Lien Trustee shall have no liability in making such selection.

**Section B-404 Selection of Second Lien Obligations to Be Redeemed.** In the event of redemption of less than all the Outstanding Second Lien Obligations of like tenor, Series, maturity and interest rate, the Second Lien Trustee shall select, as directed by the Issuer (as to the timing of such selection, manner of such selection or otherwise) or otherwise in such manner as the Second Lien Trustee in its discretion shall deem appropriate and fair, the numbers of the Second Lien Obligations to be redeemed and portions of any thereof to be redeemed in part. Second Lien Obligations of denominations equal or less than the minimum authorized denomination thereof may be redeemed only as a whole. Second Lien Obligations of denominations of more than the minimum authorized denomination thereof may be redeemed either as a whole or in part (which, if redeemed in part, must assure that the portion of the Second Lien Obligations which is not redeemed is an authorized denomination). For the purposes of this Section B-404, Second Lien Obligations, or portions thereof, theretofore selected for redemption shall not be deemed Outstanding.

**Section B-405 Notice of Redemption.** When the Second Lien Trustee shall receive notice from the Issuer of its election to redeem Second Lien Obligations pursuant to Section B-402, and when redemption of Second Lien Obligations is required by the Resolution pursuant to Section B-403, the Second Lien Trustee shall give notice, in the name of the Issuer, of the redemption of such Second Lien Obligations, which notice shall specify the Series (including CUSIP numbers), maturities and, if any maturity shall include Second Lien Obligations bearing different interest rates and all Second Lien Obligations of such maturity are not being redeemed, the interest rate of the Second Lien Obligations to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Second Lien Obligations of any like tenor, Series, maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Second Lien Obligations so to be redeemed, and, in the case of Second Lien Obligations to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed, and, if applicable, that such notice is conditional and the conditions that must be satisfied. Such notice shall further state that on such date there shall become due and payable upon the Second Lien Obligations to be redeemed the Second Lien Obligation Redemption Price thereof, or the Second Lien Obligation Redemption Price of the specified portions of the principal thereof in the case of Second Lien Obligations to be redeemed in part only, together with interest accrued to the redemption date; and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given not less than 30 days nor more than 45 days, or for such other period as may be specified in a Supplemental Resolution authorizing a particular Series, before the redemption date, to the Second Lien Owners of any Second Lien Obligations or portions of Second Lien Obligations which are to be redeemed. Failure so to give any such notice to any particular Owner shall not affect the validity of the proceedings for the redemption of Second Lien Obligations not owned by such Second Lien Owner and failure of any Second Lien Owner to receive such notice shall not affect the validity of the proposed redemption of Second Lien Obligations. The Issuer may provide notices of redemption at such additional times as it may determine necessary or appropriate.

Any notice of optional redemption given pursuant to this Section may state that it is conditional upon receipt by the Second Lien Trustee of money sufficient to pay the Second Lien Obligation Redemption Price of such Second Lien Obligations or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Second Lien Obligation Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Second Lien Trustee to affected Second Lien Owners as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Unless otherwise provided by Supplemental Resolution, notices of redemption shall be sent by first class mail, postage prepaid.

Notice of redemption of any Series of Second Lien Obligations shall also be sent by the Second Lien Trustee to such additional Persons as may be specified in the Supplemental Resolution authorizing such Series.

**Section B-406 Payment of Redeemed Second Lien Obligations.** Notice having been given in the manner provided in Section B-405, the Second Lien Obligations or portions thereof so called for redemption shall, subject to the second paragraph of Section B-405, become due and payable on the redemption date so designated at the Second Lien Obligation Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Second Lien Obligations, or portions thereof, shall be paid at the Second Lien Obligation Redemption Price plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of a Second Lien Obligation, the Issuer shall execute and cause to be delivered, upon the surrender of such Second Lien Obligation, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Second Lien Obligation so surrendered, at the option of the owner thereof, Second Lien Obligations of like tenor, Series, maturity and interest rate in any of the authorized denominations. If, on the redemption date, money for the redemption of all the Second Lien Obligations or portions thereof of any like tenor, Series, maturity and interest rate to be redeemed, together with interest to the redemption date, shall be held by the Second Lien Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Second Lien Obligations or portions thereof of such Series, maturity and interest rate so called for redemption shall cease to accrue. If said money shall not be so available on the redemption date, such Second Lien Obligations or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

## ARTICLE B-V

### SECOND LIEN SINKING FUND INSTALLMENTS; CANCELLATION AND DISPOSITION OF SECOND LIEN OBLIGATIONS

#### Section B-501 Satisfaction of Second Lien Sinking Fund Installments.

1. Any amount accumulated in the Second Lien Debt Service Fund in respect of and up to the unsatisfied balance of each Second Lien Sinking Fund Installment shall be applied by the Second Lien Trustee to either (a) or (b) below as directed by the Issuer (together with amounts accumulated in the Second Lien Debt Service Fund with respect to interest on the Series of Second Lien Obligations for which such Second Lien Sinking Fund Installment was established) if so directed by an Authorized Officer prior to the 45th day preceding the due date of such Second Lien Sinking Fund Installment as follows:

(a) to the purchase of Second Lien Obligations for which such Second Lien Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the principal amount of such Second Lien Obligations plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Issuer shall direct; or

(b) to the redemption of Second Lien Obligations for which such Second Lien Sinking Fund Installment was established, if then redeemable by their terms at the prices referred to in clause (a) of this subsection 1 of this Section B-501.

All Second Lien Obligations so purchased or redeemed shall be canceled by the Second Lien Trustee prior to the 45th day preceding the due date of such Second Lien Sinking Fund Installment.

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

3. In satisfaction, in whole or in part, of any Second Lien Sinking Fund Installment, the Issuer may deliver to the Second Lien Trustee at least 45 days prior to the date of such Second Lien Sinking Fund Installment, for cancellation, Second Lien Obligations acquired by purchase or redemption, except Second Lien Obligations acquired by purchase or redemption pursuant to the provisions of subsection 1 of this Section, of the maturity and interest rate entitled to such Second Lien Sinking Fund Installment. All Second Lien Obligations so delivered to the Second Lien Trustee in satisfaction of a Second Lien Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Second

Lien Obligations. Concurrently with such delivery of such Second Lien Obligations the Issuer shall deliver to the Second Lien Paying Agent and to the Second Lien Trustee a certificate of an Authorized Officer, specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Second Lien Obligations so delivered, (ii) the date and Series of the Second Lien Sinking Fund Installment in satisfaction of which such Second Lien Obligations are so delivered, (iii) the aggregate principal amount of the Second Lien Obligations so delivered, and (iv) the unsatisfied balance of each such Second Lien Sinking Fund Installment after giving effect to the delivery of such Second Lien Obligations.

4. The Second Lien Trustee shall, upon receipt of the notice and in the manner required by the Resolution, call for redemption, on the date of each Second Lien Sinking Fund Installment falling due prior to maturity, such principal amount of Second Lien Obligations of the Series, interest rate and maturity entitled to such Second Lien Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Second Lien Sinking Fund Installment.

**Section B-502 Cancellation and Disposition of Second Lien Obligations.** All Second Lien Obligations that have been paid (whether at maturity or by acceleration, call for redemption, purchase by the Issuer and presentation for cancellation, or otherwise) or delivered to the Second Lien Trustee for cancellation shall be canceled and not reissued, except as otherwise provided in a Supplemental Resolution with respect to Second Lien Put Obligations. Unless otherwise directed by the Issuer, the Second Lien Trustee shall treat canceled Second Lien Obligations in accordance with its document retention policies. Notwithstanding any other provision of the Resolution, the Issuer may in its sole discretion purchase any Second Lien Obligations of the Issuer or any Related Entity for investment purposes and any such Second Lien Obligations shall remain outstanding unless and until presented for cancellation.

## ARTICLE B-VI

### PARTICULAR COVENANTS OF THE ISSUER

The Issuer covenants and agrees with the Second Lien Trustee and the Second Lien Owners as follows:

**Section B-601 Payment of Second Lien Obligations and Second Lien Parity Debt.** The Issuer shall duly and punctually pay or cause to be paid from the Second Lien Obligations Trust Estate as provided in the Resolution the principal or Second Lien Obligation Redemption Price, if any, of every Second Lien Obligations and the interest thereon and all Second Lien Parity Debt, at the dates and places, and in the manner provided in the Second Lien Obligations and Second Lien Parity Debt, according to the true intent and meaning thereof.

**Section B-602 Extension of Payment of Second Lien Obligations.** The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Second Lien Obligations or the time of payments of any claims for interest by the purchase or funding of such Second Lien Obligations or claims for interest or by any other arrangement, and in case the maturity of any of the Second Lien Obligations or the time for payment of such claims for interest shall be extended, such Second Lien Obligations or claims for interest shall not be entitled, in case of any Second Lien Obligations Event of Default, to the benefit of the

Resolution or to any payment out of the Second Lien Obligations Trust Estate, except subject to the prior payment of the principal of all Second Lien Obligations Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Second Lien Obligations as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Issuer (i) to issue refunding Second Lien Obligations as provided in the Resolution and such issuance shall not be deemed to constitute an extension of maturity of the Second Lien Obligations, (ii) to issue Second Lien Put Obligations and neither such issuance nor the operation of the provisions of such Second Lien Put Obligations shall be deemed to constitute an extension of maturity of the Second Lien Obligations, (iii) to apply any amount in any Fund held under the Resolution for such purpose to the purchase or redemption of Second Lien Obligations or (iv) to issue securities having a maturity date, including any extension of maturity contemplated at the time of issuance, of no more than 270 days from the issue date.

**Section B-603 Offices for Servicing Second Lien Obligations.** Except as otherwise provided in the Resolution, the Issuer shall at all times maintain one or more offices or agencies in the City and State where Second Lien Obligations may be presented for payment, registration, transfer or exchange, and where notices, demands and other documents may be served upon the Issuer in respect of the Second Lien Obligations or of the Resolution. The Issuer may appoint the Second Lien Trustee or any other Fiduciary as its agent to maintain such office or agency for the payment, redemption, registration, transfer or exchange of Second Lien Obligations and for the service upon the Issuer of such notices, demands and other documents. The Issuer may also maintain one or more offices or agencies outside of the City or State for the same purposes.

**Section B-604 Further Assurance.** To the extent permitted by law, the Issuer from time to time shall make, do, execute, adopt, acknowledge and deliver, and take all and every such further acts, deeds, conveyances, assignments, resolutions, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and interests in the Second Lien Obligations Trust Estate or assigned, or intended so to be, or which the Issuer may become bound to pledge or assign.

**Section B-605 Accounts and Reports.**

1. The Issuer shall keep proper books of record and account of its operations. Such books of account are to be audited at least annually by independent certified public accountants experienced in governmental accounting selected by the Issuer. A copy of each audit report, annual balance sheet and income and expense statement shall be filed with the Second Lien Trustee and sent to any Second Lien Owner filing with the Issuer a written request therefor.

2. The Issuer shall annually, within 6 months after the close of each fiscal year or at such other time required under applicable law or a subsequent contract with all or certain Second Lien Owners (or, if not available by such date, when and if available), file with the Second Lien Trustee, and otherwise as provided by law, a copy of an annual report for such year, accompanied by the opinion of the accountants specified in subsection 1 of this Section.

**Section B-606 General.**

1. The Issuer 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 Issuer under the provisions of the Resolution and, to the extent material to the interests of Second Lien Owners, the Issuer Act.

2. Upon the date of authentication and delivery of any of the Second Lien Obligations, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in connection with the issuance of such Second Lien Obligations (and any related Second Lien Parity Debt then being incurred) shall exist, shall have happened and shall have been performed and the issuance of such Second Lien Obligations (and any related Second Lien Parity Debt then being incurred), together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by the laws of the State, as applicable.

**ARTICLE B-VII**

**CONCERNING THE SECOND LIEN TRUSTEE, SECOND LIEN PAYING AGENTS  
AND THE SECOND LIEN REGISTRAR**

**Section B-701 Second Lien Trustee; Appointment and Acceptance of Duties.** On or prior to the delivery of any Second Lien Obligations, the Issuer shall appoint a Second Lien Trustee. The Second Lien Trustee shall signify its acceptance of the duties and Second Lien Obligations imposed upon it by the Resolution by executing and delivering to the Issuer a written acceptance thereof.

**Section B-702 Duties, Liabilities and Rights of the Second Lien Trustee.**

1. Prior to the occurrence of a Second Lien Obligations Event of Default of which a Responsible Second Lien Obligation Officer has written notice or actual knowledge, and after the curing or waiver of any Second Lien Obligations Event of Default which may have occurred:

(a) the Second Lien Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Resolution, and no implied covenants or Second Lien Obligations shall be read into the Resolution against the Second Lien Trustee; and

(b) in the absence of bad faith on its part, the Second Lien Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Second Lien Trustee and conforming to the requirements of the Resolution; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Second Lien Trustee, the Second Lien Trustee is under a duty to examine same to determine whether or not they conform to the requirements of the Resolution.

2. In case a Second Lien Obligations Event of Default of which a Responsible Second Lien Obligation Officer has written notice or actual knowledge has occurred and is continuing, the Second Lien Trustee shall exercise such of the rights and powers vested in it by

the Resolution, and use the same degree of care and skill in their exercise, as a prudent Person would exercise or use in the conduct of such Person's own affairs.

3. No provision of the Resolution shall be construed to relieve the Second Lien Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) this subsection 3 shall not be construed to limit the effect of subsection 1 of this Section B-702;

(b) the Second Lien Trustee is not and shall not be liable for any error of judgment made in good faith by a Responsible Second Lien Obligation Officer, unless it is proven that the Second Lien Trustee was negligent in ascertaining the pertinent facts;

(c) the Second Lien Trustee is not and shall not be liable with respect to any action taken or omitted to be taken by it in good faith (i) in accordance with the direction of the Second Lien Owners of the applicable percentage of Second Lien Obligations then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Second Lien Trustee, or (ii) which it believes to be authorized or within its rights or powers under the Resolution;

(d) no provision of the Resolution shall require the Second Lien Trustee to expend or risk its own funds or otherwise incur any personal or financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, for which it has not received a satisfactory indemnity;

(e) the Second Lien Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper Person and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Second Lien Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

(f) the Second Lien Trustee shall not be charged with knowledge of a Second Lien Obligations Event of Default unless a Responsible Second Lien Obligation Officer shall have received written notice from a Second Lien Owner or the Issuer or have actual knowledge; provided that the Second Lien Trustee shall be deemed to have actual knowledge of any failure to pay principal or Second Lien Obligation Redemption Price of or interest on Second Lien Obligations when due;

(g) the Second Lien Trustee shall not be under any obligation to take any action that is discretionary hereunder;

(h) neither the Second Lien Trustee nor any of its directors, officers, employees or agents shall be personally liable for any action taken, suffered or omitted by the Second Lien Trustee in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon the Second Lien Trustee by the Resolution;

(i) the Second Lien Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians, or nominees and the Second Lien Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney, custodians or nominees appointed with due care by it hereunder; and

(j) the Second Lien Trustee may request that the Issuer deliver a certificate of an Authorized Officer setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant hereto, which certificate may be signed by any Person authorized to sign such a certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

4. Whether or not expressly so provided, every provision of the Resolution relating to the conduct or affecting the liability of or affording protection to the Second Lien Trustee is subject to the provisions of this Section B-702.

5. In the event that the Second Lien Trustee is also acting as Second Lien Paying Agent or Second Lien Registrar hereunder, the rights and protections afforded to the Second Lien Trustee pursuant to this Article B-VII shall also be afforded to the Second Lien Paying Agent and Second Lien Registrar.

#### **Section B-703 Second Lien Paying Agents and Second Lien Registrars; Appointment and Acceptance of Duties.**

1. The Second Lien Trustee is hereby appointed the Second Lien Registrar and a Second Lien Paying Agent with respect to the Second Lien Obligations. The Issuer may at any time or from time to time appoint one or more other Second Lien Paying Agents and Second Lien Registrars in the manner and subject to the conditions set forth in Section B-713 for the appointment of a successor Second Lien Paying Agent or Second Lien Registrar. The Issuer may be appointed a Second Lien Paying Agent or Second Lien Registrar.

2. Each Second Lien Paying Agent and Second Lien Registrar other than the Second Lien Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer and to the Second Lien Trustee a written acceptance thereof.

**Section B-704 Responsibilities of Fiduciaries.** The recitals of fact contained in the Resolution and in the Second Lien Obligations shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Second Lien Obligations issued thereunder or in respect of the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Second Lien Obligations for value or the application of the proceeds thereof or the application of any money paid to the Issuer. No Fiduciary shall be under any responsibility or duty with respect to the application of any money paid to any other Fiduciary. No Fiduciary shall be liable in connection with the performance of its duties under the Resolution, or for any losses, fees, taxes or other charges incurred upon the

purchase or sale or redemption of any securities purchased for or held in any Fund under the Resolution, including any losses incurred by reason of having to sell securities prior to their maturity date, except in each case for its own willful misconduct, negligent action or negligent failure to act.

**Section B-705 Evidence on Which Fiduciaries May Act.**

1. Each Fiduciary shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel of its selection, who may or may not be counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, omitted to be taken or suffered by it under the Resolution in good faith and in accordance therewith.

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

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

**Section B-706 Compensation.** The Issuer shall pay to each Fiduciary from time to time such compensation as shall be agreed to in writing between the Fiduciary and the Issuer for all services rendered under the Resolution (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Resolution. To the extent permitted by law, the Issuer further agrees to indemnify and save each Fiduciary and its officers, directors, agents, and employees harmless against any and all liabilities, losses, damages, claims or expenses which it may incur in the acceptance, exercise and performance of its powers and duties hereunder and which are not due to its willful misconduct, negligence or bad faith. The obligations of this Section B-706 shall survive the discharge of the Resolution. No obligations of the Issuer to make any payment to any Fiduciary shall have the benefit of any lien on or pledge or assignment of the Obligations Trust Estate or the Second Lien Obligations Trust Estate.

A Fiduciary shall notify the Issuer promptly of any claim for which it may seek indemnity. The Issuer shall defend the claim and the Second Lien Trustee shall cooperate in the

defense. The Fiduciary may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel.

**Section B-707 Certain Permitted Acts.** Any Fiduciary may become the owner of any Second Lien Obligations or any other obligations of the Issuer, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law and pursuant to the Resolution, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Second Lien Owners or the holders of any other obligations of the Issuer or to effect or aid in any reorganization growing out of the enforcement of the Second Lien Obligations or any other obligations of the Issuer under the Resolution, whether or not any such committee shall represent the Second Lien Owners of a majority in principal amount of the Second Lien Obligations then Outstanding.

**Section B-708 Resignation of Second Lien Trustee.** The Second Lien Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than 60 days' written notice to the Issuer and mailing notice thereof to the Second Lien Owners of the Second Lien Obligations, specifying the date when such resignation shall take effect, at least 45 days prior to the effective date, provided that such resignation shall take effect upon *the later of* (i) the day specified in such notice and (ii) the day a successor shall have been appointed by the Issuer or the Second Lien Owners as provided in Section B-710 and shall have qualified therefor.

**Section B-709 Removal of Second Lien Trustee.** The Second Lien Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Second Lien Trustee, and signed by the Second Lien Owners of a majority in principal amount of the Second Lien Obligations then Outstanding or their attorneys-in-fact duly authorized, excluding any Second Lien Obligations held by or for the account of the Issuer or any Related Entity. In addition, so long as no Second Lien Obligations Event of Default shall have occurred and be continuing hereunder and the Second Lien Trustee is not pursuing any right or remedy available to it pursuant to the Resolution, the Second Lien Trustee may be removed by the Issuer at any time for failure to provide reasonably acceptable services, failure to charge reasonably acceptable fees or any other reasonable cause, all as determined by a certificate of an Authorized Officer filed with the Second Lien Trustee. Any such removal shall not be effective until a successor shall have been appointed by the Issuer or the Second Lien Owners as provided in Section B-710 and shall have qualified therefor.

**Section B-710 Appointment of Successor Second Lien Trustee.**

1. In case at any time the Second Lien Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Second Lien Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Second Lien Trustee, or of its property or affairs, a successor may be appointed by the Second Lien Owners of a majority in principal amount of the Second Lien Obligations then Outstanding, excluding any Second Lien Obligations held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed and acknowledged by such Second Lien Owners or by their attorneys-in-fact

duly authorized and delivered to such successor Second Lien Trustee, notification thereof being given to the Issuer and the predecessor Second Lien Trustee; provided, nevertheless, that unless a successor Second Lien Trustee shall have been appointed by the Second Lien Owners as aforesaid, the Issuer by a duly executed written instrument signed by an Authorized Officer of the Issuer shall therewith appoint a Second Lien Trustee to fill such vacancy until a successor Second Lien Trustee shall be appointed by the Second Lien Owners as authorized in this Section B-710. The Issuer shall mail notice of any such appointment made by it to all Second Lien Owners within 20 days after such appointment. Any successor Second Lien Trustee appointed by the Issuer shall, immediately and without further act, be superseded by a Second Lien Trustee appointed by the Second Lien Owners.

2. If in a proper case no appointment of a successor Second Lien Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Second Lien Trustee shall have given to the Issuer written notice as provided in Section B-708 or after a vacancy in the office of the Second Lien Trustee shall have occurred by reason of its inability to act, the Second Lien Trustee or the Second Lien Owner of any Second Lien Obligations may, at the expense of the Issuer, apply to any court of competent jurisdiction to appoint a successor Second Lien Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Second Lien Trustee.

3. Any Second Lien Trustee appointed under the provisions of this Section B-710 in succession to the Second Lien Trustee shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

**Section B-711 Transfer of Rights and Property to Successor Second Lien Trustee.** Any successor Second Lien Trustee appointed under the resolution shall execute, acknowledge and deliver to its predecessor Second Lien Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor Second Lien Trustee, without any further act, deed or conveyance, shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of such predecessor Second Lien Trustee, with like effect as if originally named as Second Lien Trustee; but the Second Lien Trustee ceasing to act shall nevertheless, on the written request of the Issuer, or of the successor Second Lien Trustee, and, upon the payment of all of its charges hereunder, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Second Lien Trustee all the right, title and interest of the predecessor Second Lien Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Second Lien Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be

required by such successor Second Lien Trustee for more fully and certainly vesting in and confirming to such successor Second Lien Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Any successor Second Lien Trustee shall promptly notify the Second Lien Registrar and the Second Lien Paying Agents of its appointment as Second Lien Trustee.

**Section B-712 Merger or Consolidation.** Any Person into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its municipal corporate trust business, provided such Person shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution and shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**Section B-713 Resignation or Removal of Second Lien Paying Agent or Second Lien Registrar and Appointment of Successor.**

1. Any Second Lien Paying Agent or Second Lien Registrar may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least 60 days' written notice to the Issuer, the Second Lien Trustee, and the other Second Lien Paying Agents or Second Lien Registrar, as the case may be. Any Second Lien Paying Agent or Second Lien Registrar may be removed at any time by an instrument filed with such Second Lien Paying Agent or Second Lien Registrar, the Second Lien Trustee and the Trustee and signed by the Issuer. Any successor Second Lien Paying Agent or Second Lien Registrar shall be appointed by the Issuer, with the approval of the Second Lien Trustee, and (subject to the requirements of Section B-603) shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

2. In the event of the resignation or removal of any Second Lien Paying Agent, such Second Lien Paying Agent shall pay over, assign and deliver any money held by it as Second

Lien Paying Agent to its successor, or if there be no successor, to the Second Lien Trustee. In the event that for any reason there shall be a vacancy in the office of any Second Lien Paying Agent, the Second Lien Trustee shall act as such Second Lien Paying Agent.

3. In the event of the resignation or removal of any Second Lien Registrar, such Second Lien Registrar shall transfer and deliver all records, certificates and documents held by it as Second Lien Registrar to its successor, or if there be no successor, to the Second Lien Trustee. In the event that for any reason there shall be a vacancy in the office of any Second Lien Registrar, the Second Lien Trustee shall act as such Second Lien Registrar.

**Section B-714 Adoption of Authentication.** In case any of the Second Lien Obligations contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Second Lien Trustee may adopt the certificate of authentication of any predecessor Second Lien Trustee so authenticating such Second Lien Obligations and deliver the Second Lien Obligations so authenticated; and in case any of such Second Lien Obligations shall not have been authenticated, any successor Second Lien Trustee may authenticate such Second Lien Obligations in the name of the predecessor Second Lien Trustee, or in the name of the successor Second Lien Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Second Lien Obligations or in the Resolution provided that the certificate of the Second Lien Trustee shall have.

**Section B-715 Continuing Disclosure Agreements.** The Second Lien Trustee shall be entitled to the same rights and the same degree of indemnification in its execution and performance of each continuing disclosure agreement entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, as it is under the Resolution.

## ARTICLE B-VIII

### DEFAULT AND REMEDIES

**Section B-801 Abrogation of Right to Appoint Statutory Second Lien Trustee; Preservation of Statutory Rights and Remedies.** Any right of the Second Lien Owners to appoint a trustee under the Issuer Act is hereby abrogated. Subject to the foregoing sentence of this Section B-901 and the provisions of Section 702, the Second Lien Owners and the Second Lien Trustee acting on behalf of the Second Lien Owners shall be entitled to all of the rights and remedies provided or permitted by law.

## ARTICLE B-IX

### MISCELLANEOUS

**Section B-901 Defeasance.**

1. If the Issuer shall pay or cause to be paid to the Second Lien Owners of all Second Lien Obligations then Outstanding the principal and interest and Second Lien Obligation Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Issuer, expressed in an instrument in

writing signed by an Authorized Officer and delivered to the Second Lien Trustee, the covenants, agreements and other obligations of the Issuer to the Second Lien Owners shall be discharged and satisfied. In such event, the Second Lien Trustee shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries for the Second Lien Obligations shall pay over or deliver to the Issuer all money, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemptions of Second Lien Obligations not theretofore surrendered for such payment or redemption.

2. Outstanding Second Lien Obligations or any portions thereof for the payment or redemption of which money shall have been set aside and shall be held in trust by the Second Lien Paying Agents shall at the respective maturity or redemption dates thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section. Outstanding Second Lien Obligations or any portions thereof shall, prior to the respective maturity or redemption dates thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section either (A) as provided in the Supplemental Resolution authorizing their issuance or (B) if not so provided, if (a) in case any of said Second Lien Obligations are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Second Lien Trustee in form satisfactory to it irrevocable instructions to mail as provided in Article B-IV notice of redemption on said date of such Second Lien Obligations, (b) there shall have been irrevocably deposited with the Second Lien Trustee either money in an amount which shall be sufficient, or Second Lien Obligation Defeasance Securities the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Second Lien Trustee at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal or Second Lien Obligation Redemption Price, if applicable, and interest due and to become due on such Second Lien Obligations or such portions thereof on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Second Lien Obligations are not by their terms maturing or are not subject to redemption within the next succeeding 60 days, the Issuer shall have given the Second Lien Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Second Lien Owners of such Second Lien Obligations that the deposit required by (b) above has been made with the Second Lien Trustee and that said Second Lien Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal or Second Lien Obligation Redemption Price, if applicable, on such Second Lien Obligations. Neither Second Lien Obligation Defeasance Securities nor money deposited with the Second Lien Trustee pursuant to this Section nor principal or interest payments on any such Second Lien Obligation Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Second Lien Obligation Redemption Price, if applicable, and interest on said Second Lien Obligations; *provided, however*, that any money on deposit with the Second Lien Trustee, (i) to the extent such money will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Second Lien Trustee, free and clear of any trust, lien or pledge securing said Second Lien Obligations or otherwise existing under the Resolution, and (ii) to the extent such money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Second Lien Obligation Defeasance Securities maturing at times and in amounts sufficient, together with any money available to the Second

Lien Trustee for such purpose, to pay when due the principal or Second Lien Obligation Redemption Price, if applicable, and interest to become due on said Second Lien Obligations on and prior to such redemption date or maturity date thereof, as the case may be. Notwithstanding any other provision hereof, the Issuer may at the time of defeasance elect to retain the right to redeem or require the tender of obligations deemed paid pursuant to this Section B-901.2. The Second Lien Trustee shall, at the direction of the Issuer, select the Second Lien Obligations or portions thereof that are deemed to have been paid in advance of the redemption of such Second Lien Obligations.

3. Anything in the Resolution to the contrary notwithstanding, any money held by a Fiduciary in trust for the payment and discharge of the principal or Second Lien Obligation Redemption Price of or interest on any of the Second Lien Obligations which remains unclaimed for 2 years after the date when such principal, Second Lien Obligation Redemption Price or interest, respectively, has become due and payable, either at stated maturity dates or by call for earlier redemption, if such money was held by the Fiduciary at such date, or for 2 years after the date of deposit of such money if deposited with the Fiduciary after the date when such principal, Second Lien Obligation Redemption Price, or interest, respectively, became due and payable, shall, at the written request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Second Lien Owners shall look only to the Issuer for the payment of such principal, Second Lien Obligation Redemption Price, or interest, respectively. Notwithstanding the foregoing or anything in the Resolution to the contrary, any money held by a Fiduciary in trust for the payment and discharge of any Second Lien Obligations which remains unclaimed after such money was to be applied to the payment of such Second Lien Obligations in accordance with the Resolution may be applied in accordance with the provisions of the Abandoned Property Law of the State, being Chapter 1 of the Consolidated Laws of the State or any successor provision thereto, and upon such application, the Fiduciary shall thereupon be released and discharged with respect thereto and the Second Lien Owners shall look only to the Issuer or the Comptroller of the State for the payment of such Second Lien Obligations. Before being required to make any such payment to the Issuer or to apply such money in accordance with the Abandoned Property Law of the State, the Fiduciary shall, at the expense of the Issuer, cause to be mailed to the Second Lien Owners entitled to receive such money a notice that said money remains unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing, the balance of such money then unclaimed will be returned to the Issuer or applied in accordance with the Abandoned Property Law of the State, as the case may be.

### **Section B-902 Evidence of Signatures of Second Lien Owners and Ownership of Second Lien Obligations.**

1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Second Lien Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Second Lien Owners in Person or by their attorneys-in-fact appointed in writing or by such electronic or other means as may be recognized pursuant to applicable law. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Second Lien Obligations shall be sufficient for any purpose of the Resolution, except as

otherwise therein expressly provided, if made in the following manner, or in any other manner satisfactory to the Second Lien Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Second Lien Owner or his attorney-in-fact of such instrument may be proved by the certificate of a signature guarantor, or of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership such certificate or affidavit shall also constitute sufficient proof of his authority; and

(b) The ownership of Second Lien Obligations and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

2. Any request or consent by a Second Lien Owner of Second Lien Obligations shall bind all future Second Lien Owners of such Second Lien Obligations in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith.

**Section B-903 Money Held for Particular Second Lien Obligations.** The amounts held by any Fiduciary for the payment of the interest, principal or Second Lien Obligation Redemption Price due on any date with respect to particular Second Lien Obligations shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Second Lien Owners entitled thereto.

**Section B-904 Preservation and Inspection of Documents.** All documents received by a Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, any other Fiduciary, and any Second Lien Owners of at least 5% aggregate principal amount of Second Lien Obligations and their agents and their representatives, any of whom may make copies thereof.

**Section B-905 Interest of Parties Herein.** Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to any Person, other than the Issuer, the Fiduciaries, the Second Lien Owners and the holders of Second Lien Parity Debt, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof, and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries, the Second Lien Owners and the holders of Second Lien Parity Debt.

**Section B-906 No Recourse on the Second Lien Obligations.** No recourse shall be had for the payment of the principal or Second Lien Obligation Redemption Price of or interest on the Second Lien Obligations or Second Lien Parity Debt or for any claim based thereon or on the Resolution against any member, officer, or employee of the Issuer or any Person executing the Second Lien Obligations.

**Section B-907 Severability of Invalid Provisions.** If any term or provision of this Annex B or the Resolution shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever, and such term and provision shall be valid and enforced to the fullest extent permitted by law.

The invalidity of any one or more phrases, sentences, clauses or Sections of the Resolution shall not affect the remaining portions of the Resolution, or any part thereof, including any part of this Annex B.

**Section B-908 Exclusion of Second Lien Obligations.** Second Lien Obligations owned or held by or for the account of the Issuer or any Related Entity shall not be deemed Outstanding for the purpose of any consent to be given or other action to be taken by or upon the direction of Second Lien Owners of a specified portion of Second Lien Obligations Outstanding, and the Issuer or any Related Entity shall not be entitled with respect to such Second Lien Obligations to give any such consent or to take, or direct the taking of, any such action. At the time of any such consent or action, the Issuer shall furnish to the Second Lien Trustee a certificate of an Authorized Officer, upon which the Second Lien Trustee may conclusively rely, describing all Second Lien Obligations so to be excluded.

**Section B-909 Governing Law.** The Resolution, including this Annex B, shall be governed by and interpreted in accordance with internal laws of the State, without regard to conflict of law principles thereof.

**ANNEX C**

**ADDITIONAL RESOLUTION PROVISIONS  
APPLICABLE TO MTA AND TBTA  
SENIOR LIEN PMT OBLIGATIONS AND SECOND LIEN PMT OBLIGATIONS**

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**ADDITIONAL RESOLUTION PROVISIONS  
APPLICABLE TO MTA AND TBTA  
SENIOR LIEN PMT OBLIGATIONS AND SECOND LIEN PMT OBLIGATIONS**

**ARTICLE C-I**

**DEFINITIONS AND STATUTORY AUTHORITY**

**Section C-101. Definitions.** Capitalized terms used but not otherwise defined in this Annex C shall have the meanings set forth in the Resolution to which this Annex C is appended. The following terms shall, for all purposes herein and (except as the context may otherwise require) in the Resolution to which this Annex C is appended, have the following meanings:

**Additional Obligations** shall mean all MTA Senior Lien Obligations in the event that the MTA is defined in the Resolution as the Issuer or TBTA Senior Lien Obligations in the event that the TBTA is defined in the Resolution as the Issuer authenticated and delivered pursuant to Section C-201.

**Additional Second Lien Obligations** shall mean all MTA Second Lien Obligations in the event that the MTA is defined in the Resolution as the Issuer or TBTA Second Lien Obligations in the event that the TBTA is defined in the Resolution as the Issuer authenticated and delivered pursuant to Section C-203.

**Applicable Debt Service Payment Date** shall mean a Debt Service Payment Date on which an Applicable Trustee is required to make a payment of Debt Service from the MTA Second Lien Debt Service Fund, the MTA Senior Lien Debt Service Fund, the TBTA Second Lien Debt Service Fund or the TBTA Senior Lien Debt Service Fund, as the context requires.

**Applicable Trustee** shall mean the TBTA Second Lien Trustee, the TBTA Senior Lien Trustee, the MTA Second Lien Trustee or the MTA Senior Lien Trustee, as the context requires.

**ATA Receipts** shall mean amounts required to be deposited in the Corporate Transportation Account in the MTA Special Assistance Fund pursuant to paragraphs (b-1) and (c-3) of subdivision 2 of Section 503 and Article 17-C of the Vehicle and Traffic Law, as amended, and Article 29-A and Section 1166-a of the Tax Law, as amended, or any successor provisions of law, or any other provision of law directing or permitting the moneys to be pledged hereunder.

**Board** shall mean, when used with respect to the Issuer, the board of the Issuer acting as such pursuant to the provisions of the Issuer Act.

**Capital Costs** shall mean (i) the costs of the Issuer or any other Related Entity for the planning, design, acquisition, construction, reconstruction, rehabilitation or improvement of all or any part of the PMT Transit and Commuter Project, including costs of acquisition of real or personal property or any interests therein, legal, administrative, engineering, planning, design, studies, insurance, financing costs (including Costs of Issuance), and initial working capital

required for the commencement of operation of any such project and any capital contributions, whether or not represented by equity or debt securities or other evidences of indebtedness made by the Issuer or any other Related Entity to any Person participating in a PMT Transit and Commuter Project for the purpose of funding any costs described in this clause (i); (ii) amounts paid into any Fund or Account upon the issuance of any Obligations or Second Lien Obligations; and (iii) payment when due (whether at the maturity of principal or on the due date of interest or upon redemption or when otherwise due, including by purchase or through tender or exchange) on any indebtedness or obligation of the Issuer or any other Related Entity which was issued or incurred to finance costs that could at the time of such payment be funded directly hereunder, including Obligations, Obligation Anticipation Notes, Parity Debt, Second Lien Obligations, Second Lien Obligation Anticipation Notes, Second Lien Parity Debt, Other Subordinated Obligations, any termination or other payments for financial, fuel or other hedging arrangements, or any such indebtedness or obligation issued or incurred by any Related Entity in connection with the PMT Transit and Commuter Project.

**Corporate Transportation Account** shall mean the account bearing such name established by the MTA in the metropolitan transportation authority special assistance fund pursuant to Section 1270-a of the MTA Act, or any successor fund or account provided by law.

**Debt Service Year** shall mean, unless otherwise provided in a Supplemental Resolution, the twelve-month period commencing on May 16 of each calendar year and ending on May 15 of the next succeeding calendar year, except that the first Debt Service Year shall begin on the date specified in the Supplemental Resolution authorizing the first Series of Obligations or Second Lien Obligations to be issued under the Resolution.

**Financing Agreement** shall mean the Payroll Mobility Tax Financing Agreement to be entered into by and between the MTA and TBTA in the event that a resolution similar to the MTA PMT Resolution is adopted by TBTA and approved by the Metropolitan Transportation Authority Capital Program Review Board to enable TBTA to issue parity obligations secured under substantially the same terms and conditions as MTA is authorized to issue obligations under the Resolution, as amended and supplemented from time to time.

**Initial Interest Period** shall mean the period from the date of issuance of Senior Lien Indebtedness or Second Lien Indebtedness, as applicable, to the first Interest Payment Date.

**Initial Principal Period** shall mean the period from the date of issuance of Senior Lien Indebtedness or Second Lien Indebtedness, as applicable, to date of the first Principal Installment.

**Mobility Tax Receipts** shall mean all amounts required to be deposited into the Mobility Tax Trust Subaccount in the MTA Finance Fund pursuant to any provision of law directing or permitting the deposit of such amounts and the revenue, including taxes, interest and penalties collected in accordance with Article 23 of the Tax Law.

**Monthly Deposit Requirement** shall mean an amount equal to the sum of (i) the Monthly Senior Lien Deposit Requirement and (ii) the Monthly Second Lien Deposit Requirement attributable to and payable from PMT Receipts in the amounts for each Month.

**MTA PMT Resolution** shall mean Metropolitan Transportation Authority Payroll Mobility Tax Obligation Resolution, adopted on \_\_\_\_\_, 2020, including Annex A – Standard Resolution Provisions Applicable to MTA and TBTA PMT Obligations and Parity Debt, Annex B – Standard Resolution Provisions Applicable to MTA and TBTA Second Lien PMT Obligations and Second Lien Parity Debt and Annex C – Additional Resolution Provisions Applicable to MTA and TBTA Senior Lien PMT Obligations and Second Lien PMT Obligations appended thereto, as amended and supplemented from time to time.

**MTA Second Lien Parity Debt** shall mean Second Lien Parity Debt issued under the MTA PMT Resolution.

**MTA Senior Lien Parity Debt** shall mean Parity Debt issued under the MTA PMT Resolution.

**MTA Second Lien Obligations** shall mean the Metropolitan Transportation Authority Payroll Mobility Tax Second Lien Revenue Obligations authorized to be issued under Section 203 of the MTA PMT Resolution.

**MTA Senior Lien Obligations** shall mean the Metropolitan Transportation Authority Payroll Mobility Tax Revenue Obligations authorized to be issued under Section 201 of the MTA PMT Resolution.

**MTA Second Lien Indebtedness** shall mean MTA Second Lien Obligations and MTA Second Lien Parity Debt.

**MTA Senior Lien Indebtedness** shall mean MTA Senior Lien Obligations and MTA Parity Debt.

**PMT Transit and Commuter Project** shall mean any Transportation District Project that may be financed with obligations the payment of which may be secured by and paid from the Mobility Tax Receipts and the ATA Receipts.

**Principal Installments** shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt or Second Lien Obligations or Second Lien Parity Debt, as applicable, (a) the principal amount of Outstanding Obligations of such Series, due on the dates and in the amounts specified by Supplemental Resolution, reduced by the principal amount of such Obligations which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Installments payable before such dates, plus the unsatisfied balance (determined as provided in Section A-502 of Annex A) of any Sinking Fund Installments due on any certain future date for Obligations of such Series, together with such redemption premiums, if any, applicable on any such future date, (b) with respect to any Parity Debt, the amount due thereunder on the dates and in the amounts established in accordance with Section A-202 of Annex A as a principal component of such Parity Debt payable on a parity with the Obligations, (c) the principal amount of Outstanding Second Lien Obligations of such Series, due on the dates and in the amounts specified by Supplemental Resolution, reduced by the principal amount of such Second Lien Obligations which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Installments payable before such dates, plus the unsatisfied balance (determined as

provided in Section B-501 of Annex B) of any Sinking Fund Installments due on any certain future date for Second Lien Obligations of such Series, together with such redemption premiums, if any, applicable on any such future date, (b) with respect to any Second Lien Parity Debt, the amount due thereunder on the dates and in the amounts established in accordance with Section B-202 of Annex B as a principal component of such Parity Debt payable on a parity with the Obligations

**Responsible Second Lien Trustee** shall mean, in the event a modification or amendment to the MTA PMT Resolution or the TBTA PMT Resolution, as applicable, affects Second Lien Obligations only, or upon the occurrence of a Second Lien Obligations Event of Default, (a) in the event the modification or amendment or the Second Lien Obligations Event of Default affects either the MTA PMT Resolution or the TBTA PMT Resolution, but not both, the applicable Second Lien Trustee, and (b) in the event the modification or amendment or the Second Lien Obligations Event of Default affects both the MTA PMT Resolution and the TBTA PMT Resolution, the Second Lien Trustee who at the time of the proposed modification or amendment or occurrence of the Second Lien Trustee Event of Default has the greater principal amount of Second Lien Obligations Outstanding.

**Responsible Senior Lien Trustee** shall mean, in the event a modification or amendment to the MTA PMT Resolution or the TBTA PMT Resolution, as applicable, affects Obligations only or affects both Obligations and Second Lien Obligations, or upon the occurrence of an Obligations Event of Default, (a) in the event the modification or amendment or the Obligations Event of Default affects either the MTA PMT Resolution or the TBTA PMT Resolution, but not both, the applicable Senior Lien Trustee, and (b) in the event the modification or amendment or the Obligations Event of Default affects both the MTA PMT Resolution and the TBTA PMT Resolution, the Senior Lien Trustee who at the time of the proposed modification or amendment or the occurrence of the Obligations Event of Default has the greater principal amount of Obligations Outstanding.

**Second Lien Indebtedness** shall mean MTA Second Lien Indebtedness and TBTA Second Lien Indebtedness.

**Second Lien Parity Owners** shall mean the Owners of the Second Lien Obligations issued under the MTA PMT Resolution and the Owners of the Second Lien Obligations issued under the TBTA PMT Resolution that are affected by a modification or amendment of the MTA PMT Resolution or the TBTA PMT Resolution or the occurrence of a Second Lien Obligations Event of Default.

**Second Lien Trustees** shall mean the Trustee for the benefit of the Owners of the Second Lien Obligations issued under the MTA PMT Resolution and the Trustee for the benefit of the Owners of the Second Lien Obligations issued under the TBTA PMT Resolution that are affected by a modification or amendment of the MTA PMT Resolution or the TBTA PMT Resolution or the occurrence of a Second Lien Obligations Event of Default.

**Senior Lien Indebtedness** shall mean MTA Senior Lien Indebtedness and TBTA Senior Lien Indebtedness.

**Senior Lien Parity Owners** shall mean the Owners of the Obligations issued under the MTA PMT Resolution and the Owners of the Obligations issued under the TBTA PMT Resolution that are affected by a modification or amendment of the MTA PMT Resolution or the TBTA PMT Resolution or the occurrence of an Obligations Event of Default.

**Senior Lien Trustees** shall mean the Trustee for the benefit of the Owners of the Obligations issued under the MTA PMT Resolution and the Trustee for the benefit of the Owners of the Obligations issued under the TBTA PMT Resolution that are affected by a modification or amendment of the MTA PMT Resolution or the TBTA PMT Resolution or the occurrence of a Second Lien Obligations Event of Default.

**Supplemental Financing Agreement** shall mean an agreement supplemental to or amendatory of the Financing Agreement between the MTA and TBTA in accordance with provisions of Section 705 thereof.

**TBTA PMT Resolution** shall mean the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Obligation Resolution, adopted on \_\_\_\_\_, 2020, including Annex A – Standard Resolution Provisions Applicable to MTA and TBTA PMT Obligations and Parity Debt, Annex B – Standard Resolution Provisions Applicable to MTA and TBTA Second Lien PMT Obligations and Second Lien Parity Debt and Annex C – Additional Resolution Provisions Applicable to MTA and TBTA Senior Lien PMT Obligations and Second Lien PMT Obligations appended thereto, as amended and supplemented from time to time.

**TBTA Second Lien Indebtedness** shall mean TBTA Second Lien Obligations and TBTA Second Lien Parity Debt.

**TBTA Second Lien Obligations** shall mean the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Second Lien Revenue Obligations issued under the TBTA PMT Resolution.

**TBTA Second Lien Parity Debt** shall mean Second Lien Parity Debt issued under the TBTA PMT Resolution

**TBTA Senior Lien Indebtedness** shall mean TBTA Obligations and TBTA Parity Debt.

**TBTA Senior Lien Obligations** shall mean the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Revenue Obligations issued under the TBTA PMT Resolution.

**TBTA Senior Lien Parity Debt** shall mean Senior Lien Parity Debt issued under the TBTA PMT Resolution.

**Section C-102. Rules of Construction.**

1. Except as otherwise specified herein, all references in the Resolution (including this Annex C) to Articles, Sections, and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Resolution (including this Annex C), and the words herein, hereof, hereunder and other words of similar import refer to the Resolution as a whole (including this Annex C) and not to any particular Article, Section or subdivision of the Resolution or of

this Annex C. References in the Resolution to Articles or Sections with “A-” preceding the number of an Article or Section are to such Article or Section of Annex A, references in the Resolution to Articles or Sections with “B-” preceding the number of an Article or Section are to such Article or Section of Annex B and references in the Resolution to Articles or Sections with “C-” preceding the number of an Article or Section are to such Article or Section of this Annex C.

2. This Annex C constitutes an integral part of the Resolution and, except to the extent provided in the next 2 sentences, has the same force and effect as if set forth in the forepart of the Resolution. To the extent expressly provided in the Resolution (not including this Annex C, the Issuer may negate, amend or modify any provision of this Annex C. In the event of any conflict between this Annex C and the forepart of the Resolution, the forepart of the Resolution shall control.

## ARTICLE C-II

### GENERAL PROVISIONS FOR ISSUANCE OR INCURRENCE OF OBLIGATIONS, PARITY DEBT AND OBLIGATION ANTICIPATION NOTES

#### Section C-201. Special Provisions for Issuance of Additional Obligations.

1. Obligations of one or more Series or subseries may at any time, or from time to time, be authenticated and delivered by the Trustee for an Authorized Purpose only upon receipt by such Trustee, in addition to the documents required by Section A-201 of Annex A, of the following:

(a) A certificate of an Authorized Officer to the effect that the Issuer then is, and, upon the authentication and delivery of the Obligations of such Series, shall be, in compliance with all applicable provisions of the Issuer Act relating to the issuance, sale and delivery of such Obligations; and

(b) A certificate of an Authorized Officer

a. setting forth for any 12 consecutive calendar months ended not more than 6 months prior to the date of such certificate: (i) Mobility Tax Receipts and (ii) ATA Receipts;

b. setting forth the greatest amount for the then current or any future Debt Service Year of the sum of Calculated Debt Service on all Outstanding Senior Lien Indebtedness, *including* the proposed Additional Obligations and any proposed Refunding Obligations being treated as Additional Obligations for purposes of clause (ii) of paragraph (e) of subsection 1 of Section C-202 hereof but *excluding* any Senior Lien Indebtedness to be refunded with the proceeds of such Refunding Obligations being treated as Additional Obligations;

c. stating that the sum of the Mobility Tax Receipts and ATA Receipts set forth in clause (A) hereof is not less than [2.25 times] the amount set forth in clause (B) hereof;

d. setting forth the greatest amount for the then current or any future Debt Service Year of the sum of (x) Calculated Debt Service on all Outstanding Senior Lien Indebtedness, *including* the proposed Additional Obligations and any proposed Refunding Obligations being treated as Additional Obligations for purposes of clause (ii) of paragraph (e) of subsection 2 of Section C-202 hereof but *excluding* any Senior Lien Indebtedness to be refunded with the proceeds of such Refunding Obligations being treated as Additional Obligations, and (y) Calculated Second Lien Debt Service on all Outstanding Second Lien Indebtedness, *excluding* any Senior Lien Indebtedness or Second Lien Indebtedness to be refunded with the proceeds of such Refunding Obligations being treated as Additional Obligations for purposes of clause (ii) of paragraph (e) of subsection 2 of Section C-202; and

e. stating that the sum of the Mobility Tax Receipts and ATA Receipts set forth in clause (A) hereof is not less than [1.75 times] the amount set forth in clause (D) hereof;

*provided, however, that* if on the date of delivery of such certificate, there is then and thereafter required to be deposited into (i) the MTA Finance Fund so as to constitute Mobility Tax Receipts or (ii) into the Corporate Transportation Account so as to constitute ATA Receipts, in each such case, which were not required to be deposited therein during the entire 12 month period to which such certificate relates, the Issuer may include in such certificate the amount which an Authorized Officer estimates would have been deposited in the MTA Finance Fund or the Corporate Transportation Account during such period if such amounts had been required to be so deposited for such entire 12 month period.

### **Section C-202. Special Provisions for Issuance of Refunding Obligations.**

1. In addition to refinancings permitted under Section C-201, one or more Series of Refunding Obligations (in an aggregate principal amount which will provide funds, together with other money available therefor, to accomplish such refunding) may be authenticated and delivered upon original issuance to refund (including by redemption, payment at maturity or in connection with exchanges or tenders) all or any portion of any Outstanding Obligations or Parity Debt; provided that Refunding Obligations may be issued to refund Outstanding Second Lien Obligations or Second Lien Parity Debt upon compliance with clause (ii) of paragraph (e) of subsection 2 of this Section C-202.

2. In addition to the requirements of Section A-201 of Annex A, the Refunding Obligations of each such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee of the following:

(a) If the Obligations or Parity Debt to be refunded are to be redeemed, instructions to the Trustee and/or trustee for the Parity Debt, satisfactory to it, to give due notice of redemption of all the Obligations or Parity Debt to be refunded on the redemption date or dates specified in such instructions;

(b) If the Obligations or Parity Debt to be refunded are to be deemed paid within the meaning of the second sentence of subsection 2 of Section A-1101 of Annex A or similar provision with respect to Parity Debt, irrevocable instructions to the Trustee and/or the trustee for the Parity Debt, satisfactory to it, to provide notice in the manner provided in the second sentence of subsection 2 of Section A-1101 of Annex A or similar provision with respect to Parity Debt with respect to the payment of such Obligations or Parity Debt pursuant to such Section or provision;

(c) If the Obligations or Parity Debt to be refunded are to be deemed paid within the meaning of the second sentence of subsection 2 of A-1101 of Annex A or similar provision with respect to Parity Debt, either (i) money and/or (ii) Defeasance Securities as shall be necessary to comply with the provisions of the second sentence of subsection 2 of Section A-1101 of Annex A or defeasance securities as shall be necessary to comply with any similar provision with respect to Parity Debt, which money and Defeasance Securities (or defeasance securities) shall be held in trust and used only as provided in said subsection 2 of Section A-1101 of Annex A or similar provision with respect to Parity Debt;

(d) If the proceeds of such Series of Refunding Obligations are to be utilized by the Issuer to purchase (in connection with a tender for or redemption of Obligations or Parity Debt, or otherwise) Obligations or Parity Debt to be delivered to the Trustee in satisfaction of a Sinking Fund Installment in accordance with subsection 3 of Section A-502 of Annex A or similar provision with respect to Parity Debt, a certificate of an Authorized Officer specifying the matters required thereby; and

(e) Either:

(i) a certificate of an Authorized Officer (w) setting forth (A) the greatest amount of Calculated Debt Service on all Outstanding Senior Lien Indebtedness for any future Debt Service Year during the term of the Obligations (including the Refunding Obligations then proposed to be issued but excluding the Obligations or Parity Debt to be refunded or purchased) and (B) the greatest amount of Calculated Debt Service on all Outstanding Senior Lien Indebtedness for any future Debt Service Year during the term of the Obligations as calculated immediately prior to the issuance of the Refunding Obligations (including the Obligations or Parity Debt to be refunded or purchased but excluding the Refunding Obligations), (x) stating that the greatest amount of Calculated Debt Service on all Outstanding Senior Lien Indebtedness for any future Debt Service Year during the term of the Obligations set forth pursuant to (A) above is not greater than the greatest amount of Calculated Debt Service on all Senior Lien Indebtedness for any future Debt Service Year during the term of the Obligations set forth pursuant to (B) above, (y) setting forth (C) the greatest amount of Calculated Debt Service on all Outstanding Senior Lien Indebtedness and Calculated Second Lien Debt Service on all Outstanding Second Lien Indebtedness for any future Debt Service Year (including the Refunding Obligations then proposed to be issued but excluding the Obligations or Parity Debt to be refunded or purchased) and (D) the greatest amount of aggregate

Calculated Debt Service on all Outstanding Senior Lien Indebtedness and Calculated Second Lien Debt Service on all Outstanding Second Lien Indebtedness for any future Debt Service Year as calculated immediately prior to the issuance of the Refunding Obligations (including the Obligations or Parity Debt to be refunded or purchased but excluding the Refunding Obligations) and (z) stating that the greatest amount of aggregate Calculated Debt Service on all Outstanding Senior Lien Indebtedness and Calculated Second Lien Debt Service on all Outstanding Second Lien Indebtedness for any future Debt Service Year set forth pursuant to (C) is not greater than the greatest amount of aggregate Calculated Debt Service on all Outstanding Senior Lien Indebtedness and Calculated Second Lien Debt Service on all Outstanding Second Lien Indebtedness set forth pursuant to (D) above; or

(ii) the certificate provided for in clause (b) of subsection 1 of Section C-201 with respect to such Series of Refunding Obligations, considering for all purposes of such certificate that such Series of Refunding Obligations is a Series of Additional Obligations and that the Refunding Obligations then proposed to be issued will be Outstanding but the Obligations or Parity Debt to be refunded will no longer be Outstanding.

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

**Section C-203. Special Provisions for Issuance of Additional Second Lien Obligations.**

1. The Second Lien Obligations of one or more Series or subseries may at any time, or from time to time, be authenticated and delivered by the Second Lien Trustee for an Authorized Purpose only upon receipt by the Second Lien Trustee, in addition to the documents required by Section B-201 of Annex B, of the following:

(a) A certificate of an Authorized Officer to the effect that the Issuer then is, and, upon the authentication and delivery of the Second Lien Obligations of such Series, shall be, in compliance with all applicable provisions of the Issuer Act relating to the issuance, sale and delivery of such Second Lien Obligations; and

(b) A certificate of an Authorized Officer

a. setting forth for any 12 consecutive calendar months ended not more than 6 months prior to the date of such certificate: (i) Mobility Tax Receipts, and (ii) ATA Receipts;

b. setting forth the greatest amount for the then current or any future Debt Service Year of the sum of (x) Calculated Debt Service on all Outstanding Senior Lien Indebtedness, *excluding* any Senior Lien Indebtedness to be refunded with the proceeds of such Refunding Second Lien Obligations, (y) Calculated Second Lien Debt Service on all Outstanding Second Lien Indebtedness,

*including* the proposed Additional Second Lien Obligations and any proposed Refunding Second Lien Obligations being treated as Additional Second Lien Obligations for purposes of clause (ii) of paragraph (e) of subsection 1 of Section C-203 hereof but *excluding* any Senior Lien Indebtedness or Second Indebtedness to be refunded with the proceeds of such Refunding Second Lien Obligations being treated as Additional Second Lien Obligations; and

c. stating that the sum of the Mobility Tax Receipts and ATA Receipts set forth in clause (A) hereof is not less than [1.75 times] the amount set forth in clause (B) hereof;

*provided, however, that* if on the date of delivery of such certificate, there is then and thereafter required to be deposited into (i) the MTA Finance Fund so as to constitute Mobility Tax Receipts or Mobility Tax Receipts or (ii) into the Corporate Transportation Account so as to constitute ATA Receipts, in each such case, which were not required to be deposited therein during the entire 12 month period to which such certificate relates, the Issuer may include in such certificate the amount which an Authorized Officer estimates would have been deposited in the MTA Finance Fund or the Corporate Transportation Account or received by MTA during such period if such amounts had been required to be so deposited for such entire 12 month period.

**Section C-204. Special Provisions for Issuance of Refunding Second Lien Obligations.**

1. In addition to refinancings permitted under Section C-203, one or more Series of Refunding Second Lien Obligations (in an aggregate principal amount which will provide funds, together with other money available therefore, to accomplish such refunding) may be authenticated and delivered by the Second Lien Trustee upon original issuance to refund (including by redemption, payment at maturity or in connection with exchanges or tenders) all or any portion of any Outstanding Senior Lien Indebtedness or Second Lien Indebtedness.

2. In addition to the requirements of Section B-201 of Annex B, the Refunding Second Lien Obligations of each such Series shall be authenticated and delivered by the Second Lien Trustee only upon receipt by the Second Lien Trustee, of the following:

(a) If the Obligations or Parity Debt to be refunded are to be redeemed, deemed paid within the meaning of the second sentence of subsection 2 of Section C-1101 or similar provision with respect to Parity Debt, or purchased in satisfaction of a Sinking Fund Installment in accordance with subsection 3 of Section A-502 of Annex A or similar provision with respect to Parity Debt, the items set forth in clauses (a) through (d), inclusive, of subsection 1 of Section 202, as applicable;

(b) If the Second Lien Obligations or Second Lien Parity Debt to be refunded are to be redeemed, instructions to the Second Lien Trustee and/or the trustee for the Second Lien Parity Debt, satisfactory to it, to give due notice of redemption of all the Second Lien Obligations or Second Lien Parity Debt to be refunded on the redemption date or dates specified in such instructions;

(c) If the Second Lien Obligations or Second Lien Parity Debt to be refunded are to be deemed paid within the meaning of the second sentence of subsection 2 of Section B-1001 of Annex B or similar provision with respect to Second Lien Parity Debt, (i) money and/or (ii) Defeasance Securities as shall be necessary to comply with the provisions of the second sentence of subsection 2 of Section B-1001 of Annex B or defeasance securities as shall be necessary to comply with any similar provision with respect to Second Lien Parity Debt, which Defeasance Securities or defeasance securities and/or money shall be held in trust and used only as provided in Section B-1001 of Annex B or similar provision with respect to Second Lien Parity Debt;

(d) If the proceeds of such Series of Refunding Second Lien Obligations are to be utilized by the Issuer to purchase (in connection with a tender for or redemption of Second Lien Obligations or Second Lien Parity Debt, or otherwise) Second Lien Obligations or Second Lien Parity Debt to be delivered to the Second Lien Trustee in satisfaction of a Second Lien Sinking Fund Installment in accordance with subsection 3 of Section B-502 of Annex B or similar provision with respect to Second Lien Parity Debt, a certificate of an Authorized Officer specifying the matters required thereby; and

(e) Either:

(i) a certificate of an Authorized Officer (a) setting forth (A) the greatest amount of aggregate Calculated Debt Service on all Outstanding Obligations and Parity Debt and Calculated Second Lien Debt Service on all Outstanding Second Lien Obligations and Second Lien Parity Debt for any future Debt Service Year during the term of the Second Lien Obligations (including the Refunding Second Lien Obligations then proposed to be issued but excluding the Obligations, Parity Debt, Second Lien Obligations or Second Lien Parity Debt to be refunded or purchased) and (B) the greatest amount of aggregate Calculated Debt Service on all Outstanding Obligations and Parity Debt and Calculated Second Lien Debt Service on all Outstanding Second Lien Obligations and Second Lien Parity Debt for any future Debt Service Year during the term of the Second Lien Obligations as calculated immediately prior to the issuance of the Refunding Second Lien Obligations (including the Obligations, Parity Debt, Second Lien Obligations or Second Lien Parity Debt to be refunded or purchased but excluding the Refunding Second Lien Obligations) and (b) stating that the greatest amount of aggregate Calculated Debt Service and Calculated Second Lien Debt Service set forth pursuant to (A) above is not greater than the greatest amount of aggregate Calculated Debt Service and Calculated Second Lien Debt Service set forth pursuant to (B) above; or

(ii) the certificate provided for in clause (b) of subsection 2 of Section 204 with respect to such Series of Refunding Second Lien Obligations, considering for all purposes of such certificate that such Series of Refunding Second Lien Obligations is a Series of Additional Second Lien Obligations and that the Refunding Second Lien Obligations then proposed to be issued will be Outstanding, but the Obligations, Parity Debt, Second Lien Obligations or Second Lien Parity Debt to be refunded will no longer be Outstanding.

3. The proceeds, including accrued interest, of the Refunding Second Lien Obligations of each such Series shall be applied simultaneously with the delivery of such Second Lien Obligations in the manner provided in the Supplemental Resolution authorizing such Second Lien Obligations.

**Section C-205. Special Provisions for Other Subordinated Obligations.**

Other Subordinated Obligations, payable from amounts available to be transferred to the MTA in accordance clause (e) of subsection (5) of Section 507 of the Resolution or the analogous provision of the Financing Agreement, as applicable, may be issued upon the terms and conditions set forth in a Supplemental Resolution of the Issuer adopted at the time of issuance of such Other Subordinated Obligations with such terms and conditions as shall be established by the Issuer in such Supplemental Resolution.

**ARTICLE C-III**

**COVENANTS**

**Section C-301. Compliance with Financing Agreement.** (a) The Issuer shall, at all times, comply with the obligations of the Issuer contained in the Financing Agreement.

(b) In the event that TBTA adopts a resolution that is approved by the Metropolitan Transportation Authority Capital Program Review Board to authorize TBTA to issue parity obligations secured under substantially the same terms and conditions as MTA is authorized to issue obligations under the MTA Parity Resolution, all Owners of Obligations and Second Lien Owners of Second Lien Obligations issued pursuant to MTA PMT Resolution shall be deemed to have consented to (i) the execution by the Issuer and TBTA of the Financing Agreement, including any provisions that may supersede certain of the provisions of MTA PMT Resolution and (ii) the establishment of funds and accounts into which the PMT Receipts will be deposited and applied for the equitable and ratable benefit of the owners of Issuer obligations and TBTA obligations in accordance with and as contemplated by the Financing Agreement. [Until such resolution is adopted by TBTA and approved by the Metropolitan Transportation Authority Capital Program Review Board, a copy of this paragraph shall be included in every disclosure document relating to the offering of Obligations and Second Lien Obligations to be issued under this Resolution.]

**Section C-302. Notice as to Event of Default.** The Issuer shall notify the MTA and each Applicable Trustee in writing that an “Obligations Event of Default” or a “Second Lien Obligations Event of Default,” as such terms are defined in Section C-401 and Section C-403, respectively, has occurred and is continuing, which notice shall be given within thirty (30) days after the Issuer has obtained actual knowledge thereof; provided, however, that the Issuer shall provide each of the foregoing with immediate notice of any payment default after the Issuer has obtained actual knowledge thereof.

## ARTICLE C-IV

### EVENTS OF DEFAULT AND REMEDIES

**Section C-401. Obligations Event of Default.** Each of the following events is defined as and shall constitute an “Obligations Event of Default” in respect of Obligations and Parity Debt under the MTA PMT Resolution and the TBTA PMT Resolution:

(i) There shall occur a default in the due and punctual payment of the principal or Redemption Price of, or interest on, any Obligation Outstanding under the MTA PMT Resolution or the TBTA PMT Resolution when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise and such default shall continue for a period of 30 days.

(ii) There shall occur a failure to observe, or a refusal to comply with, the terms of the MTA PMT Resolution, the TBTA PMT Resolution, the Financing Agreement or any Obligation Outstanding under the MTA PMT Resolution or the TBTA PMT Resolution, other than a failure or refusal constituting an event specified in subsection (i) of this Section C-401 and other than a failure to make all or any portion of any required deposit into any Fund or Account which failure is the result of the fact that the Issuer has not received sufficient Mobility Tax Receipts or ATA Receipts, as appropriate, to make such deposit; *provided, however, that* such failure or refusal shall have continued for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Issuer by the applicable Senior Lien Trustee(s) under the MTA PMT Resolution and/or the TBTA PMT Resolution under which the failure or refusal occurred, unless such Senior Lien Trustee(s) shall agree in writing to an extension of such time prior to its expiration, and *provided further that* if the failure stated in the notice cannot be remedied within the applicable period, the Senior Lien Trustee(s) shall not unreasonably withhold its consent to an extension of such time if corrective action has been instituted by the Issuer within such period and is being diligently pursued.

**Section C-402. Powers of the Senior Lien Trustee(s).**

1. In the event that any Obligations Event of Default specified in Section C-401 shall occur and be continuing, the Responsible Senior Lien Trustee may, and, upon written request of the Senior Lien Parity Owners of a majority in aggregate principal amount of the Obligations then Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution, shall, in its name:

(a) by suit, action or proceeding in accordance with the civil practice law and rules enforce all rights of the Senior Lien Parity Owners;

(b) bring suit upon the Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution against the Issuer(s);

(c) by action or suit, require the Issuer(s) to account as if it were the trustee of an express trust for the Senior Lien Parity Owners; or

(d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Senior Lien Parity Owners;

*provided, however,* that under no circumstances may the Responsible Senior Lien Trustee or any Senior Lien Parity Owner or Senior Lien Parity Owners declare the principal amount of all the Obligations then Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution, and the interest accrued thereon, to be immediately due and payable.

2. Subject to the provisions of Sections C-401 and A-801 of Annex A and the foregoing provisions of this Section C-402, the remedies conferred upon or reserved to the Responsible Senior Lien Trustee in respect of any Obligations Event of Default are not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the MTA PMT Resolution and the TBTA PMT Resolution or now or hereafter existing at law or in equity or by statute; *provided, however,* that the Responsible Senior Lien Trustee or the Senior Lien Parity Owners shall not have the right to declare all Obligations then Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution to be immediately due and payable. No delay or omission to exercise any right or power accruing upon any Obligations Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Responsible Senior Lien Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice as may be expressly required herein.

3. The Responsible Senior Lien Trustee shall, in addition to the foregoing powers, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incidental to the general representation of the Senior Lien Parity Owners in the enforcement and protection of their rights.

4. The Issuer covenants that if an Obligations Event of Default shall have happened and shall not have been remedied, the books of record and account of the Issuer and all other records relating to the Obligations Trust Estate shall at all times be subject to the inspection and use of the Responsible Senior Lien Trustee and of its agents and attorneys and, upon demand of the Responsible Senior Lien Trustee, the Issuer will account, as if it were the trustee of an express trust, for the Obligations Trust Estate for such period as shall be stated in such demand.

### **Section C-403. Priority of Payments After Default on Obligations.**

1. In the event that the funds held by the Fiduciaries shall be insufficient for the payment of interest and principal or Redemption Price then due on the Obligations Outstanding under the MTA PMT Resolution or the TBTA PMT Resolution and for payments then due with respect to Parity Debt, such funds (excluding funds held for the payment or redemption of particular Obligations Outstanding under the MTA PMT Resolution or the TBTA PMT Resolution which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any Fund or Account under the MTA PMT Resolution or the TBTA PMT Resolution have been designated to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Obligation Anticipation Notes

Outstanding under the MTA PMT Resolution or the TBTA PMT Resolution under which such Obligation Anticipation Notes are Outstanding) and any other money received or collected by the Fiduciaries, or the applicable Senior Lien Trustee(s), after making provision for the payment of any expenses necessary in the opinion of the applicable Senior Lien Trustee(s) to preserve the continuity of the amounts to be received under the MTA PMT Resolution or the TBTA PMT Resolution or otherwise to protect the interest of the Senior Lien Parity Owners, and for the payment of the charges and expenses and liabilities incurred and advances made by the Fiduciaries in the performance of their duties under the MTA PMT Resolution or the TBTA PMT Resolution, shall be applied as follows:

(a) Unless the principal of all of the Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution shall have become due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due with respect to Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and the interest components of Parity Debt in the order of the maturity of such installments and interest components, and, if the amount available shall not be sufficient to pay in full any installments and interest components due on the same date, then to the payment thereof ratably, according to the amounts due on such installments and interest components, to the Persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Obligations and Parity Debt; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and the principal component of Parity Debt which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and Parity Debt due on any date, then to the payment thereof ratably, according to the amounts of principal and Redemption Price and principal component due on such date, to the Persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and the principal component of Parity Debt shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and Parity Debt without preference or priority of principal or principal component over interest or interest component or of interest or interest component over principal or principal component, or of any installment of interest or interest component over any other installment of interest or interest component, or of any such Obligation or Parity Debt over any other such Obligation or Parity Debt, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Obligations and Parity Debt.

(c) For purposes of clarification, at the time of the distribution of amounts in connection with the foregoing, the amounts on deposit in the Funds and Accounts under the MTA PMT Resolution intended for the payment of Obligations shall be available solely for the payment of the Obligations Outstanding under the MTA PMT Resolution and the amounts on deposit in the Funds and Accounts under the TBTA PMT Resolution intended for the payment of Obligations shall be available solely for the payment of the Obligations Outstanding under the TBTA PMT Resolution.

2. The provisions of this Section C-403 are in all respects subject to the provisions of Section A-602 of Annex A.

**Section C-404. Second Lien Obligations Event of Default.** Each of the following events is defined as and shall constitute a “Second Lien Obligations Event of Default” in respect of Second Lien Obligations and Second Lien Parity Debt under the MTA PMT Resolution and the TBTA PMT Resolution:

(1) There shall occur a default in the due and punctual payment of the principal or Redemption Price of, or interest on, any Second Lien Obligation Outstanding under the MTA PMT Resolution or the TBTA PMT Resolution when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise and such default shall continue for a period of 30 days.

(2) There shall occur a failure to observe, or a refusal to comply with, the terms of the MTA PMT Resolution, the TBTA PMT Resolution, the Financing Agreement or any Second Lien Obligation Outstanding under the MTA PMT Resolution or the TBTA PMT Resolution, other than a failure or refusal constituting an event specified in subsection (i) of this Section C-404 and other than a failure to make all or any portion of any required deposit into any Fund or Account which failure is the result of the fact that the Issuer has not received sufficient Mobility Tax Receipts or ATA Receipts, as appropriate, to make such deposit; *provided, however, that* such failure or refusal shall have continued for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the Issuer by the applicable Second Lien Trustee(s) under the MTA PMT Resolution and/or the TBTA PMT Resolution under which the failure or refusal occurred, unless such Second Lien Trustee(s) shall agree in writing to an extension of such time prior to its expiration, and *provided further that* if the failure stated in the notice cannot be remedied within the applicable period, the Second Lien Trustee(s) shall not unreasonably withhold its consent to an extension of such time if corrective action has been instituted by the Issuer within such period and is being diligently pursued.

**Section C-405. Powers of Second Lien Trustee(s) in Respect of a Second Lien Obligations Event of Default.**

1. In the event that any Second Lien Obligations Event of Default specified in Section C-404 shall occur and be continuing, the Responsible Second Lien Trustee may, and, upon written request of the Second Lien Parity Owners of a majority in aggregate principal

amount of the Second Lien Obligations then Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution, shall, in its name:

- (a) by suit, action or proceeding in accordance with the civil practice law and rules enforce all rights of the Second Lien Parity Owners;
- (b) bring suit upon the Second Lien Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution against the Issuer(s);
- (c) by action or suit, require the Issuer(s) to account as if it were the trustee of an express trust for the Second Lien Parity Owners; or
- (d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Second Lien Parity Owners;

*provided, however,* that under no circumstances may the Responsible Second Lien Trustee or any Second Lien Parity Owner or Second Lien Parity Owners declare the principal amount of all the Second Lien Obligations then Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution, and the interest accrued thereon, to be immediately due and payable.

Such rights shall be subordinate, and subject to in all respects, to the rights of the Owners of Obligations and Parity Debt under the MTA PMT Resolution and the TBTA PMT Resolution with respect to the pledge of all right, title and interest of the applicable Issuer in and to the Financing Agreement and the payments to be made under the Financing Agreement on account of Obligations and Parity Debt.

2. Subject to the provisions of Sections C-404 and B-801 of Annex B and the foregoing provisions of this Section C-405, the remedies conferred upon or reserved to the Responsible Second Lien Trustee in respect of any Second Lien Obligations Event of Default are not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other such remedy given under the MTA PMT Resolution and the TBTA PMT Resolution or now or hereafter existing at law or in equity or by statute; *provided, however,* that the Responsible Second Lien Trustee or the Second Lien Parity Owners shall not have the right to declare all Second Lien Obligations then Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution to be immediately due and payable. No delay or omission to exercise any right or power accruing upon any Second Lien Obligations Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Responsible Second Lien Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice as may be expressly required herein.

3. The Responsible Second Lien Trustee shall in addition to the foregoing powers, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incidental to the general representation of Second Lien Parity Owners in the enforcement and protection of their rights.

4. The Issuer covenants that if a Second Lien Obligations Event of Default shall have happened and shall not have been remedied, the books of record and account of the Issuer and all other records relating to the Second Lien Obligations Trust Estate shall at all times be subject to the inspection and use of the Responsible Second Lien Trustee and of its agents and attorneys and, upon demand of the Responsible Second Lien Trustee, the Issuer will account, as if it were the trustee of an express trust, for the Second Lien Obligations Trust Estate for such period as shall be stated in such demand.

**Section C-406. Priority of Payments After Default on Second Lien Obligations.**

1. In the event that the funds held by the Fiduciaries shall be insufficient for the payment of interest and principal or Second Lien Redemption Price then due on the Second Lien Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and for payments then due with respect to Second Lien Parity Debt, such funds (excluding funds held for the payment or redemption of particular Second Lien Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any Fund or Account under the MTA PMT Resolution and the TBTA PMT Resolution have been designated to be applied solely to the payment of the principal of and premium, if any and interest on any series of Second Lien Obligation Anticipation Notes Outstanding under the MTA PMT Resolution or the TBTA PMT Resolution under which such Obligation Anticipation Notes are Outstanding) and any other money received or collected by the Fiduciaries, or the applicable Second Lien Trustee, after making provision for the payment of any expenses necessary in the opinion of the applicable Second Lien Trustee to preserve the continuity of the amounts to be received under the MTA PMT Resolution or the TBTA PMT Resolution or otherwise to protect the interest of the Second Lien Parity Owners, and for the payment of the charges and expenses and liabilities incurred and advances made by the Fiduciaries in the performance of their duties under the MTA PMT Resolution or the TBTA PMT Resolution, shall be applied as follows:

(a) Unless the principal of all of the Second Lien Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution shall have become due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due with respect to Second Lien Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and the interest components of Second Lien Parity Debt in the order of the maturity of such installments and interest components, and, if the amount available shall not be sufficient to pay in full any installments and interest components due on the same date, then to the payment thereof ratably, according to the amounts due on such installments and interest components, to the Persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Second Lien Obligations and Second Lien Parity Debt; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Second Lien Obligations Outstanding under

the MTA PMT Resolution and the TBTA PMT Resolution and the principal component of Second Lien Parity Debt which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Second Lien Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and Second Lien Parity Debt due on any date, then to the payment thereof ratably, according to the amounts of principal and Second Lien Redemption Price and principal component due on such date, to the Persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Second Lien Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and the principal component of Second Lien Parity Debt shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Second Lien Obligations Outstanding under the MTA PMT Resolution and the TBTA PMT Resolution and Second Lien Parity Debt without preference or priority of principal or principal component over interest or interest component or of interest or interest component over principal or principal component, or of any installment of interest or interest component over any other installment of interest or interest component, or of any such Second Lien Obligations and Second Lien Parity Debt over any other such Second Lien Obligations and Second Lien Parity Debt, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Second Lien Obligations and Second Lien Parity Debt.

(c) For purposes of clarification, at the time of the distribution of amounts in connection with the foregoing, the amounts on deposit in the Funds and Accounts under the MTA PMT Resolution intended for the payment of Second Lien Obligations shall be available solely for the payment of the Second Lien Obligations Outstanding under the MTA PMT Resolution and the amounts on deposit in the Funds and Accounts under the TBTA PMT Resolution intended for the payment of Second Lien Obligations shall be available solely for the payment of the Second Lien Obligations Outstanding under the TBTA PMT Resolution.

2. Such rights set forth in this Section C-406 shall be subordinate, and subject in all respects, to the prior pledge of the Obligations Trust Estate securing Obligations and Parity Debt created pursuant to subsection 1 of Section 501.

3. The provisions of this Section C-406 are in all respects subject to the provisions of Section B-602 of Annex B.

## **ARTICLE C-V**

### **SUPPLEMENTAL RESOLUTIONS**

#### **Section C-501. General Provisions.**

1. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article C-V and in Article C-VI of this Annex C. Nothing contained in this Article C-V or in Article C-VI shall affect or limit the right or obligation of the Issuer to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. Modifications or amendments effected in accordance with this Article C-V are generally modifications or amendments that do not materially and adversely affect the respective Owners of Obligations or Second Lien Obligations under the Resolution.

3. Any Supplemental Resolution referred to and permitted or authorized by this Article C-V may be adopted by the Issuer without the consent of any of the Owners or the Second Lien Owners, but shall become effective only on the conditions, to the extent and at the time provided in this Article C-V. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms; *provided, however*, that the concurrent delivery of an Opinion of Bond Counsel required by Section A-201.2(a) of Annex A shall satisfy this requirement.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written consent.

**Section C-502. Supplemental Resolutions Effective Upon Filing with the Trustee and Second Lien Trustee.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, without the consent of or notice to any Owner or Second Lien Owner which, upon the filing with the Trustee and the Second Lien Trustee of a copy thereof certified by an Authorized Officer, or, if adopted prior to the appointment of a Trustee pursuant to Section A-701 of Annex A or a Second Lien Trustee pursuant to Section B-701 of Annex B, upon its adoption, shall be fully effective in accordance with its terms:

(1) To add to the covenants and agreements of the Issuer in the Resolution, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(2) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the Resolution;

(3) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Resolution of any additional security other than that granted or pledged under the Resolution;

(4) To add to the Resolution any provisions required to preserve the exclusion from gross income for Federal income tax purposes of interest received on Tax-Exempt Obligations or Tax-Exempt Second Lien Obligations then Outstanding or to be issued or the exemption of interest received on any Obligations or Second Lien Obligations from

State income taxation or the right to receive subsidies relating to Taxable Obligations or Taxable Second Lien Obligations then Outstanding or to be issued;

(5) To modify, amend or supplement the Resolution in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or to permit the qualification of the Obligations or Second Lien Obligations for sale under the securities laws of any of the states of the United States of America, and, if the Issuer so determines, to add hereto such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939 or similar Federal statute;

(6) At any time prior to the first authentication and delivery of any Obligations under the Resolution or at any other time when no Obligations, Second Lien Obligations or Other Subordinated Obligations are Outstanding under the Resolution, to modify the provisions of the Resolution in such manner as the Issuer deems necessary or appropriate;

(7) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution, including modifications, amendments and supplements necessary to effectuate changes required by, or necessary or convenient in connection with, the execution and delivery of the Financing Agreement;

(8) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect, including, in the event the Issuer Act or the MTA Act is amended or other legislation is enacted to so provide, the substitution of an alternate or different legal name for the current name of the Issuer or any other Related Entity in the Resolution or the form of Obligations, Second Lien Obligations or Other Subordinated Obligations;

(9) To make any other modification or amendment of the Resolution which the Issuer shall in its sole discretion determine will not have a material adverse effect on the interests of the Owners of Outstanding Obligations, Second Lien Owners of Outstanding Second Lien Obligations and owners of Other Subordinated Obligations;

(10) To authorize Obligations of a Series and, in connection therewith, (a) specify and determine the matters and things referred to in the provisions of the Resolution authorizing issuance of Obligations, and also any other matters and things relative to such Obligations which are not contrary to or inconsistent with the Resolution as theretofore in effect, (b) in the case of Variable Interest Rate Obligations or Put Obligations, as applicable, set forth provisions specifying the manner in which interest on Variable Interest Rate Obligations or Put Obligations, as applicable, is to be calculated for the purposes of various definitions and provisions of the Resolution, provisions providing for changes in interest rates, interest rate periods or interest payment dates for any Variable Interest Rate Obligation of a Series or Put Obligations, as applicable, provisions regarding an Owner's right or obligation to tender Put Obligations for redemption or purchase in lieu of redemption, and provisions governing the manner in

which Variable Interest Rate Obligations or Put Obligations, as applicable, which the Owner thereof has the right to, or has exercised a right to, tender for redemption or purchase in lieu of redemption shall be treated for purposes of various definitions and provisions of the Resolution, (c) set forth provisions governing the administration of any Qualified Swap or Credit Facility, and provisions providing for the issuance of Reimbursement Obligations or the conversion of other Obligations to Reimbursement Obligations (and in connection with such conversion to change the interest rates, sinking fund provisions or maturity date on such Obligations) to secure or reimburse the provider of such Credit Facility, (d) in the case of either Taxable Obligations or Tax-Exempt Obligations, set forth defeasance provisions with respect thereto (including the manner of attaining such defeasance and the effect thereof), and (e) make such additional changes herein, not materially adverse to the rights of the Owners of the Obligations previously issued, as are necessary or appropriate; or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance and delivery of such Obligations;

(11) To authorize Second Lien Obligations of a Series and, in connection therewith, (a) specify and determine the matters and things referred to in the provisions of the Resolution authorizing issuance of Second Lien Obligations, and also any other matters and things relative to such Obligations which are not contrary to or inconsistent with the Resolution as theretofore in effect, (b) in the case of Variable Interest Rate Second Lien Obligations or Second Lien Put Obligations, as applicable, set forth provisions specifying the manner in which interest on Variable Interest Rate Second Lien Obligations or Second Lien Put Obligations, as applicable, is to be calculated for the purposes of various definitions and provisions of the Resolution, provisions providing for changes in interest rates, interest rate periods or interest payment dates for any Variable Interest Rate Second Lien Obligation of a Series or Second Lien Put Obligations, as applicable, provisions regarding a Second Lien Owner's right or obligation to tender Second Lien Put Obligations for redemption or purchase in lieu of redemption, and provisions governing the manner in which Variable Interest Rate Second Lien Obligations or Second Lien Put Obligations, as applicable, which the Second Lien Owner thereof has the right to, or has exercised a right to, tender for redemption or purchase in lieu of redemption shall be treated for purposes of various definitions and provisions of the Resolution, (c) set forth provisions governing the administration of any Qualified Second Lien Swap or Second Lien Obligation Credit Facility, and provisions providing for the issuance of Second Lien Reimbursement Obligations or the conversion of other Second Lien Obligations to Second Lien Reimbursement Obligations (and in connection with such conversion to change the interest rates, sinking fund provisions or maturity date on such Second Lien Obligations) to secure or reimburse the provider of such Second Lien Obligation Credit Facility, (d) in the case of either Taxable Second Lien Obligations or Tax-Exempt Second Lien Obligations, set forth defeasance provisions with respect thereto (including the manner of attaining such defeasance and the effect thereof), and (e) make such additional changes herein, not materially adverse to the rights of the Second Lien Owners of the Second Lien Obligations previously issued, as are necessary or appropriate; or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance and delivery of such Second Lien Obligations;

(12) To authorize Obligation Anticipation Notes in accordance with Section A-203 of Annex A and Second Lien Obligation Anticipation Notes in accordance with Section B-203 of Annex B and, in connection therewith, specify and determine the matters and things referred to in Section A-203 of Annex A or Section B-203 of Annex B, as applicable, and also any other matters and things relative to such Obligation Anticipation Notes or Second Lien Obligation Anticipation Notes, as applicable, which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(13) To (a) establish for any one or more Series of Obligations or Second Lien Obligations a separate debt service reserve fund which shall be permitted to be applied solely to the payment of specified Obligations or Second Lien Obligations, provided that (i) the specified Obligations or Second Lien Obligations shall have no claim or lien on nor be payable from any amounts in any other such debt service reserve fund, (ii) the specified Obligations or Second Lien Obligations shall be excluded from the calculation of any applicable debt service reserve fund requirement for any other Outstanding Obligations or Second Lien Obligations, and (iii) the amount required to be on deposit in such debt service reserve funds shall be specified in the Supplemental Resolutions authorizing the specified Obligations or Second Lien Obligations, but in no event shall such amount, after giving effect to any surety bond, insurance policy, letter of credit or similar obligation deposited in any such separate debt service reserve fund pursuant to the Resolution, be in excess of the amount that would otherwise be the debt service reserve fund requirement for such specified Obligations or Second Lien Obligations assuming that such Obligations or Second Lien Obligations were the only Obligations or Second Lien Obligations Outstanding under the Resolution; and (b) make such other amendments, changes or modifications to the Resolution as may be deemed necessary or desirable by the Issuer to insure that such debt service reserve funds function in the manner contemplated in this subsection;

(14) To authorize Parity Debt and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer to specify or determine) the matters and things referred to in paragraphs (4) and (6) of Section A-202 of Annex A, and also any other matters and things relative to such Parity Debt which are not contrary to or inconsistent with the Resolution as then in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance or entering into of such Parity Debt, and at any time to rescind or limit any authorization for any such Parity Debt theretofore authorized but not issued or entered into; in connection with the authorization of Parity Swap Obligations and Parity Reimbursement Obligations, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of the Funds, Accounts and subaccounts established pursuant to Section 502 of the Resolution for the benefit of such Parity Swap Obligations and Parity Reimbursement Obligations; and may grant to the Owners of such Parity Debt the same rights granted to Owners of Obligations in Article C-VI of this Annex C.

(15) To authorize Second Lien Parity Debt and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer to specify or determine) the matters and things referred to in paragraphs (4) and (6) of Section B-202

of Annex B of the Resolution, and also any other matters and things relative to such Second Lien Parity Debt which are not contrary to or inconsistent with the Resolution as then in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance or entering into of such Second Lien Parity Debt, and at any time to rescind or limit any authorization for any such Second Lien Parity Debt theretofore authorized but not issued or entered into; in connection with the authorization of Second Lien Parity Swap Obligations and Second Lien Parity Reimbursement Obligations, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of the Funds, Accounts and subaccounts established pursuant to Section 502 of the Resolution for the benefit of such Second Lien Parity Swap Obligations and Second Lien Parity Reimbursement Obligations; and may grant to the holders of such Second Lien Parity Debt the same rights granted to Second Lien Owners of Second Lien Obligations in Article C-VI of this Annex C.

(16) To authorize Other Subordinated Obligations and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer to specify or determine) the matters and things required or permitted by Article V of the Resolution in connection therewith, and also any other matters and things relative to such Other Subordinated Obligations which are not contrary to or inconsistent with the Resolution as then in effect, or at any time to amend, rescind or limit any authorization for any such Other Subordinated Obligations thereto be authorized but not issued or entered into; and in connection with the authorization of Other Subordinated Obligations, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of amounts available to pay Other Subordinated Obligations and any other funds, accounts or subaccounts created for the benefit of such Other Subordinated Obligations;

(17) To modify any of the provisions of the Resolution in any respect whatsoever, *provided that* except with respect to any modification contemplated by Section C-301(b) hereof which shall become immediately effective, (i) such modification shall be, and be expressed to be, effective only after all Obligations and/or Second Lien Obligations affected thereby and Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Obligations and/or Second Lien Obligations, as applicable, delivered on original issuance after the date of the adoption of such Supplemental Resolution and of the Obligations and Second Lien Obligations issued in exchange therefor or in place thereof;

(18) To modify, amend or supplement the Resolution in any manner, not already provided for in or pursuant to the Supplemental Resolution authorizing the related Series of Obligations in order to provide for a Credit Facility, Qualified Swap, or other similar arrangement with respect to any Series of Obligations, under the Resolution, so long as the Issuer determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Owners of Outstanding Obligations;

(19) To modify, amend or supplement the Resolution in any manner, not already provided for in or pursuant to the Supplemental Resolution authorizing the related Series of Second Lien Obligations in order to provide for a Second Lien Obligation Credit Facility, Qualified Second Lien Swap, or other similar arrangement with respect to any Series of Second Lien Obligations, under the Resolution, so long as the Issuer determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Second Lien Owners of Outstanding Second Lien Obligations;

(20) To amend or modify any Supplemental Resolution authorizing Obligations of a Series or Second Lien Obligations of a Series to reflect the substitution of a new Credit Facility for the Credit Facility then in effect or a new Second Lien Obligation Credit Facility for the Second Lien Obligation Credit Facility then in effect, as applicable;

(21) To close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the issuance and delivery of the Obligations or Second Lien Obligations, or the issuance or entering into of other evidences of indebtedness;

(22) To modify, amend or supplement the Resolution as requested by the Metropolitan Transportation Authority Capital Program Review Board to provide for approvals and consents necessary to implement the provisions of the Resolution that provide for the financing of transit and commuter projects, *provided* such modifications, amendments or supplements do not materially adversely affect the right, security and interest of the Owners of Outstanding Obligations or the Second Lien Owners of Outstanding Second Lien Obligations; and

(23) To modify, amend or supplement the Resolution, consistent with the agreement of the State set forth in the Resolution and in the Financing Agreement, to reflect or change the nature and/or manner in which the State transfers or deposits ATA Receipts or Mobility Tax Receipts to MTA, whether or not such transfers or deposits may be subject to appropriation.

In making any determination under paragraph (9) of this Section C-502, the Issuer may conclusively rely upon an Opinion of Counsel or opinions of other experts or professionals.

## **ARTICLE C-VI**

### **AMENDMENTS**

#### **Section C-601. Amendments to the MTA PMT Resolution and the TBTA PMT Resolution.**

1. The MTA PMT Resolution and the TBTA PMT Resolution may be modified or amended without the consent of the Owners or the Second Lien Owners as provided in Article C-V of this Annex C. Modifications or amendments effected in accordance with Article C-V are generally modifications or amendments that do not materially and adversely affect (a) either the

respective Owners of Obligations or Second Lien Obligations under the MTA PMT Resolution or the TBTA PMT Resolution or (b) all Owners of Obligations and/or Second Lien Obligations under both the MTA PMT Resolution and the TBTA PMT Resolution.

2. Except as provided in Section C-301(b) hereof, in the event a modification or amendment to the MTA PMT Resolution or the TBTA PMT Resolution materially and adversely affects the Senior Lien Parity Owners and/or the Second Lien Parity Owners under either or both the MTA PMT Resolution and/or TBTA PMT Resolution, such modification or amendment must be effected with the consent of the Senior Lien Parity Owners and/or the Second Lien Parity Owners as provided in this Article C-VI pursuant to a Supplemental Resolution.

3. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written consent.

**Section C-602. Mailing.** Any provision in this Article C-VI for the mailing of a notice or other paper to Senior Lien Parity Owners and/or Second Lien Parity Owners shall be fully complied with if it is mailed postage prepaid to (i) each such Owner of any affected Obligation and/or affected Second Lien Obligation then Outstanding at such Owner's address, if any, appearing upon the registry books of the Issuer, and (ii) to the affected Senior Lien Trustees and/or Second Lien Trustees, as applicable; or, in each case, to such parties by facsimile or other means to the extent permitted by applicable law and arrangements.

**Section C-603. Powers of Amendment.**

1. Any modification or amendment of the MTA PMT Resolution and/or the TBTA PMT Resolution of the rights and obligations of the Issuer and of the Senior Lien Parity Owners, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section C-604 of this Annex C, (i) of the Senior Lien Parity Owners of a majority in principal amount of the Obligations Outstanding at the time such consent is given, and (ii) in case less than all of the Obligations then Outstanding are affected by the modification or amendment, of the Senior Lien Parity Owners of a majority in principal amount of the Obligations 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 particular Obligations remain Outstanding, the consent of the Owners of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Obligations under this Section. No such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal of any Outstanding Obligation or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Senior Lien Parity Owner of such Obligation, (b) reduce the percentages or otherwise affect the classes of Obligations the consent of the Senior Lien Parity Owners of which is required to waive an Event of Default or otherwise effect any such modification or amendment, (c) create a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, without the consent of the Owners of all such Obligations, (d) create a lien prior to or on parity with the lien of the MTA PMT Resolution and TBTA PMT Resolution securing Obligations, without the consent of the Senior Lien Parity Owners of all of the Obligations then Outstanding, or (e) change or modify any of the rights or obligations of any Fiduciary without its written

assent thereto. For the purposes of this Section C-603(1), an Obligation shall be deemed to be affected by a modification or amendment of the MTA PMT Resolution and TBTA PMT Resolution if the same materially and adversely affects the rights of the Senior Lien Parity Owner of such Obligation. The Responsible Senior Lien Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment particular Obligations would be affected by any modification or amendment of the MTA PMT Resolution and/or TBTA PMT Resolution and any such determination shall be binding and conclusive on the Issuer and all Senior Lien Parity Owners. The Responsible Senior Lien Trustee may request and receive an opinion of counsel, including a Counsel's Opinion, as conclusive evidence as to whether particular Obligations would be so affected by any such modification or amendment of the MTA PMT Resolution and/or TBTA PMT Resolution and the Responsible Senior Lien Trustee shall have no duty or obligation to take any action hereunder unless and until it has received such opinion. Notwithstanding anything in this Section C-603 or the MTA PMT Resolution and/or TBTA PMT Resolution to the contrary, the consent of Senior Lien Parity Owners of any Series of additional Obligations to be issued hereunder to any modification or amendment of the MTA PMT Resolution and/or TBTA PMT Resolution, which modification or amendment, as well as such consent, is disclosed in the official statement or other offering document prepared in connection with the primary offering of such Series of additional Obligations, shall be deemed given and irrevocable and no other evidence of such consent shall be required.

2. Any modification or amendment of the MTA PMT Resolution and/or the TBTA PMT Resolution of the rights and obligations of the Issuer and of the Second Lien Parity Owners, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section C-604 of this Annex C, (i) of the Second Lien Parity Owners of a majority in principal amount of the Second Lien Obligations Outstanding at the time such consent is given, and (ii) in case less than all of the Second Lien Obligations then Outstanding are affected by the modification or amendment, of the Second Lien Parity Owners of a majority in principal amount of the Second Lien Obligations 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 particular Second Lien Obligations remain Outstanding, the consent of the Owners of such Second Lien Obligations shall not be required and such Second Lien Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Second Lien Obligations under this Section. No such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal of any Outstanding Second Lien Obligation or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Second Lien Parity Owner of such Second Lien Obligation, (b) reduce the percentages or otherwise affect the classes of Second Lien Obligations the consent of the Second Lien Parity Owners of which is required to waive an Event of Default or otherwise effect any such modification or amendment, (c) create a preference or priority of any Second Lien Obligation or Second Lien Obligations over any other Second Lien Obligation or Second Lien Obligations, without the consent of the Second Lien Parity Owners of all such Second Lien Obligations, (d) create a lien prior to or on parity with the lien of the MTA PMT Resolution and/or TBTA PMT Resolution securing Second Lien Obligations, without the consent of the Second Lien Parity Owners of all of the Second Lien Obligations then Outstanding, or (e) change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For

the purposes of this Section C-603(2), a Second Lien Obligation shall be deemed to be affected by a modification or amendment of the MTA PMT Resolution and/or TBTA PMT Resolution if the same materially and adversely affects the rights of the Second Lien Parity Owner of such Second Lien Obligation. The Responsible Second Lien Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment particular Second Lien Obligations would be affected by any modification or amendment of the MTA PMT Resolution and TBTA PMT Resolution and any such determination shall be binding and conclusive on the Issuer and all Second Lien Parity Owners. The Responsible Second Lien Trustee may request and receive an opinion of counsel, including a Counsel's Opinion, as conclusive evidence as to whether particular Second Lien Obligations would be so affected by any such modification or amendment of the MTA PMT Resolution and/or TBTA PMT Resolution and the Responsible Second Lien Trustee shall have no duty or obligation to take any action hereunder unless and until it has received such opinion. Notwithstanding anything in this Section C-603 or the MTA PMT Resolution and/or TBTA PMT Resolution to the contrary, the consent of Second Lien Parity Owners of any Series of additional Second Lien Obligations to be issued hereunder to any modification or amendment of the MTA PMT Resolution and/or TBTA PMT Resolution, which modification or amendment, as well as such consent, is disclosed in the official statement or other offering document prepared in connection with the primary offering of such Series of additional Second Lien Obligations, shall be deemed given and irrevocable and no other evidence of such consent shall be required.

3. In the event any modification or amendment materially and adversely affects the rights of both the Senior Lien Parity Owners and the Second Lien Parity Owners, the consent of both the Senior Lien Parity Owners and the Second Lien Parity Owners as provided in this Article C-VI shall be required.

#### **Section C-604. Consent of Senior Lien Parity Owners and Second Lien Parity Owners.**

1. The Issuer at any time may adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section C-603 hereof to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Responsible Senior Lien Trustee or Responsible Second Lien Trustee, as applicable) together with a request to the Senior Lien Parity Owners or Second Lien Parity Owners, as applicable, for their consent thereto in form satisfactory to the Responsible Senior Lien Trustee or Responsible Second Lien Trustee, as applicable, shall be mailed by the Issuer to the Senior Lien Parity Owners or Second Lien Parity Owners, as applicable (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Responsible Senior Lien Trustee or Responsible Second Lien Trustee, as applicable (a) the written consents of the Senior Lien Parity Owners or Second Lien Parity Owners of the percentages of Outstanding Obligations or Second Lien Obligations specified in Section C-603 and (b) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Issuer in accordance with the provisions of the MTA PMT Resolution and/or TBTA PMT Resolution, is authorized or permitted by the MTA PMT Resolution and/or TBTA PMT Resolution, and is valid and binding upon the Issuer and

enforceable in accordance with its terms, and (ii) a notice shall have been mailed to Senior Lien Parity Owners or Second Lien Parity Owners, as applicable, as hereinafter in this Section C-604 provided. Any such consent, including any consent of a Fiduciary in accordance with Section C-603, shall be irrevocable and binding upon the Senior Lien Parity Owner or Second Lien Parity Owner and Fiduciary giving such consent and, anything in Section A-1102 of Annex A to the contrary notwithstanding, upon any subsequent Senior Lien Parity Owner of such Obligations and of any Obligations issued in exchange therefor or upon any subsequent Second Lien Parity Owner of such Second Lien Obligations and of any Second Lien Obligations issued in exchange therefor (whether or not such subsequent Senior Lien Parity Owner or subsequent Second Lien Parity Owner thereof has notice thereof). At any time after the Senior Lien Parity Owners of the required percentages of Obligations and/or the Second Lien Parity Owners of the required percentages of Second Lien Obligations shall have filed their consents to the Supplemental Resolution, the Responsible Senior Lien Trustee and/or the Responsible Second Lien Trustee shall make and file with the Issuer and the other Senior Lien Trustee and/or Second Lien Trustee a written statement that the Senior Lien Parity Owners of such required percentages of Obligations and/or the Second Lien Parity Owners of such required percentages of Second Lien Obligations have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Issuer on a stated date, a copy of which is on file with the Senior Lien Trustees and the Second Lien Trustees, as applicable) has been consented to by the Senior Lien Parity Owners of such required percentages of Obligations and/or the Second Lien Parity Owners of such required percentages of Second Lien Obligations and will be effective as provided in this Section C-604, may be given to Senior Lien Parity Owners and/or Second Lien Parity Owners by the Issuer by mailing such notice to such Owners (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section C-604 provided). The Issuer shall file with the Senior Lien Trustees and the Second Lien Trustees, as applicable, proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section C-604 to be filed with the Senior Lien Trustees and the Second Lien Trustees, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Fiduciaries and all Senior Lien Parity Owners and/or Second Lien Parity Owners at the expiration of 40 days after the filing with the Senior Lien Trustees and the Second Lien Trustees, as applicable, of the proof of the mailing of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such 40-day period; provided, however, that any Fiduciary and the Issuer during such 40-day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

**Section C-605. Modifications by Unanimous Consent.** The terms and provisions of the MTA PMT Resolution and the TBTA PMT Resolution and the rights and obligations of the Issuer and of the Senior Lien Parity Owners and the Second Lien Parity Owners may be modified or amended in any respect upon the adoption and filing by the Issuer of a Supplemental Resolution and the consent of the Senior Lien Parity Owners and/or the Second Lien Parity Owners of all of the Obligations and/or Second Lien Obligations then Outstanding, such consent

to be given as provided in Section C-604 except that no notice to affected Senior Lien Parity Owners and/or Second Lien Parity Owners shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Senior Lien Trustees and/or Second Lien Trustees, as applicable, of the written consent thereto of such Fiduciary in addition to the consent of the Senior Lien Parity Owners and/or Second Lien Parity Owners.

**Section C-606. Notation on Obligations and/or Second Lien Obligations.** Obligations and/or Second Lien Obligations issued and delivered after the effective date of any action taken as in Article C-V or this Article C-VI provided may, and, if the Responsible Senior Lien Trustee and/or Responsible Second Lien Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the applicable Senior Lien Trustee or Second Lien Trustee as to such action, and in that case upon demand of the applicable Senior Lien Parity Owner and/or the Second Lien Parity Owner at such effective date and presentation of its Obligation or Second Lien Obligation for the purpose at the corporate trust office of the applicable Senior Lien Trustee or Second Lien Trustee, suitable notation shall be made on such Obligation or on such Second Lien Obligation, by the applicable Senior Lien Trustee or Second Lien Trustee as to any such action. If the Issuer or the applicable Senior Lien Trustee or Second Lien Trustee shall so determine, new Obligations or Second Lien Obligations, so modified as in the opinion of the applicable Senior Lien Trustee or Second Lien Trustee and the Issuer to conform to such action shall be prepared, authenticated and delivered. Upon demand of the Senior Lien Parity Owner or Second Lien Parity Owner and the surrender of such Obligations or Second Lien Obligations, there shall be authenticated and exchanged therefor, new Obligations or Second Lien Obligations, having the same terms, other than the noted modification, as the Obligations or Second Lien Obligations surrendered.

**METROPOLITAN TRANSPORTATION AUTHORITY**

**MULTIPLE SERIES 2020 BOND ANTICIPATION NOTES  
AND RELATED SUBORDINATED INDEBTEDNESS  
PAYROLL MOBILITY TAX OBLIGATION SUPPLEMENTAL RESOLUTION**

**Adopted November 18, 2020**

**MULTIPLE SERIES 2020 BOND ANTICIPATION NOTES  
AND RELATED SUBORDINATED INDEBTEDNESS  
PAYROLL MOBILITY TAX OBLIGATION SUPPLEMENTAL RESOLUTION**

BE IT RESOLVED by the Board of Metropolitan Transportation Authority (the “Issuer”), as follows:

**ARTICLE I  
DEFINITIONS AND STATUTORY AUTHORITY**

**SECTION 1.01. Supplemental Resolution.** This Multiple Series 2020 Bond Anticipation Notes and Related Subordinated Indebtedness Payroll Mobility Tax Obligation Supplemental Resolution (the “Supplemental Resolution”) is supplemental to, and is adopted in accordance with Article II, Article A-II, Article B-II and Article C-V of, a resolution adopted by the Issuer on November 18, 2020, entitled “Payroll Mobility Tax Obligation Resolution”, as heretofore supplemented (the “Resolution”).

**SECTION 1.02. Definitions.**

1. All capitalized terms which are used but not otherwise defined in this Supplemental Resolution shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

2. In this Supplemental Resolution:

“Authorized Officer” shall include the officers designated as such in the Resolution, and the Chairman, the Managing Director, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance of the MTA, as well as any officer duly designated as “Acting” in said officer’s capacity, except that, for the purposes of any delegation set forth herein that does not expressly include any Assistant Secretary, “Authorized Officer” shall not include any Assistant Secretary of the Issuer.

“Board” shall mean, when used with respect to the Issuer, the board of the Issuer acting as such pursuant to the provisions of the Issuer Act.

“Bond Counsel” shall mean Nixon Peabody LLP, Orrick, Herrington & Sutcliffe LLP, D. Seaton and Associates, P.A., P.C., Bryant Rabbino LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“New Money Supplemental Resolution” shall mean the “Supplemental Resolution to Issue Payroll Mobility Tax Revenue Bonds for COVID-19 Lost Revenues and Increased Costs” adopted by the Board on November 18, 2020, as amended or supplemented from time to time.

“Notice of Sale” shall mean the form of Notice of Sale to be distributed with the Preliminary Official Statement, hereinafter defined, and published in the event of a competitive sale of the Series 2020 Notes.

“Owner”, or any similar term, means any person who shall be the registered owner of any Outstanding Series 2020 Note or Notes.

“Refunding Obligation Supplemental Resolution” shall mean the “Multiple Series Payroll Mobility Tax Refunding Obligation Supplemental Resolution” adopted by the Board on November 18, 2020, as amended or supplemented from time to time.

“Series 2020 Bonds” shall mean the Payroll Mobility Tax Bonds, Series 2020, authorized by Article II of the Resolution and the New Money Supplemental Resolution.

“Series 2020 Notes” shall mean the Payroll Mobility Tax Bond Anticipation Notes, Series 2020, authorized to be issued, in accordance with Section A-203 of the Standard Resolution Provisions and/or Section B-203 of the Second Lien Standard Resolution Provisions, pursuant to this Supplemental Resolution, subject to designation as hereinafter provided.

“Series 2020 Refunding Obligations” shall mean the Payroll Mobility Tax Refunding Obligations authorized to be issued by Article II of the Resolution and the Refunding Obligation Supplemental Resolution.

**SECTION 1.03. Authority for this Supplemental Resolution.** This Supplemental Resolution is adopted pursuant to the provisions of the Issuer Act and the Resolution.

## **ARTICLE II AUTHORIZATION OF SERIES 2020 NOTES**

**SECTION 2.01. Principal Amount, Designation and Series.** Pursuant to the Resolution, Payroll Mobility Tax Bond Anticipation Notes constituting Obligation Anticipation Notes or Second Lien Obligation Anticipation Notes under the Resolution, which may be issued in one or more Series or subseries and from time to time, entitled to the benefit, protection and security of the Resolution are hereby authorized to be issued in an aggregate principal amount not exceeding \$2,907,280,000 and relating to the offset of certain decreased revenues and certain increases in operating costs described in paragraph (a) of subsection 3-a of Section 1265 of the Issuer Act, as such subsection may be amended from time to time (“COVID-19 Lost Revenue and Increased Costs”). The Series 2020 Notes may be issued in the form of a loan agreement, line of credit, revolving credit agreement or similar facility (each, a “Loan Facility”). For all purposes of this Section such Payroll Mobility Tax Bond Anticipation Notes shall be designated as, and shall be distinguished from the Payroll Mobility Tax Bond Anticipation Notes of all other Series by the title, “Payroll Mobility Tax Bond Anticipation Notes, Series 2020”, with such further or different designations as may be provided in any Certificate of Determination, including designating the Series of the Obligations to reflect the year in which such Obligations are issued.

The authorization to issue the Series 2020 Notes, and the Series 2020 Bonds and Series 2020 Refunding Obligations to refinance or refund the Series 2020 Notes, shall continue in effect as provided by law, unless terminated by the Issuer.

**SECTION 2.02. Use of Proceeds.** The proceeds of the Series 2020 Notes shall be used only for the purposes set forth in one or more Certificates of Determination and may include the application for any lawful purpose, including the offset of COVID-19 Lost Revenue and Increased Costs, Costs of Issuance and capitalized interest, and the payment of the principal and interest of Outstanding Series 2020 Notes.

**SECTION 2.03. Dates, Maturities, Principal Amounts and Interest; Redemption.** The Series 2020 Notes shall be dated the date or dates determined in the related Certificate of Determination. The Series 2020 Notes shall mature on the date or dates and in the year or years and in the principal amount or amounts, and shall bear interest at the rate or rates per annum, if any, specified in or determined in the manner provided in the related Certificate of Determination. Except as otherwise provided in the related Certificate of Determination, the Series 2020 Notes shall not be subject to redemption prior to maturity.

**SECTION 2.04. Interest Payments.** The Series 2020 Notes shall bear interest from their date or dates and be payable on such date or dates as may be determined pursuant to the related Certificate of Determination. Except as otherwise provided in the related Certificate of Determination, interest on the Series 2020 Notes shall be computed on the basis of twelve 30-day months and a 360-day year.

**SECTION 2.05. Denominations, Numbers and Letters.** Unless otherwise provided in the related Certificate of Determination, the Series 2020 Notes shall be issuable in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Series 2020 Notes shall be numbered and lettered as provided in the related Certificate of Determination.

**SECTION 2.06. Places of Payment and Paying Agents.** Except as otherwise provided in the related Certificate of Determination, principal and Redemption Price of the Series 2020 Notes shall be payable to the registered owner of each Series 2020 Note when due upon presentation of such Series 2020 Note at the principal corporate trust office of the Trustee. Except as otherwise provided in the related Certificate of Determination, interest on the registered Series 2020 Notes will be paid by check or draft mailed on the interest payment date by the Paying Agent to the registered owner at his address as it appears on the registration books or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series 2020 Notes, by wire transfer in immediately available funds on each interest payment date to such Owner thereof upon written notice from such Owner to the Trustee, at such address as the Trustee may from time to time notify such Owner, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed, if such written notice is received not less than twenty (20) days prior to the related interest payment date (such notice may refer to multiple interest payments).

**SECTION 2.07. Sources of Payment**

1. The principal of and interest on the Series 2020 Notes may be payable solely from (i) the proceeds of any other Series 2020 Notes, (ii) the proceeds of the Series 2020 Bonds and the Series 2020 Refunding Obligations, and (iii) the proceeds of notes or other evidences of indebtedness or any other amounts (which other amounts are not pledged under the Resolution), in each case if and to the extent such amounts may lawfully be used to make such payments. The interest on the Series 2020 Notes may also be payable from amounts available for the payment of Other Subordinated Indebtedness, as provided in the Certificate of Determination.

2. There are hereby pledged to the payment of principal and interest on the Series 2020 Notes (i) the proceeds of other Series 2020 Notes issued to refinance such Series 2020 Notes, and (ii) the proceeds of the Series 2020 Bonds and the Series 2020 Refunding Obligations issued to refinance such Series 2020 Notes, and such pledge has priority over any other pledge thereof created by the Resolution, including Section 501. There is also hereby pledged to the payment of interest on the Series 2020 Notes amounts available for the payment of Other Subordinated Indebtedness as provided in Section A-203 of the Resolution or Section B-203 of the Resolution, as applicable. Proceeds and amounts described in clause (iii) of Section 2.07(1) hereof may be pledged to the payment of principal and interest on the Series 2020 Notes to the extent set forth in a Certificate of Determination.

3. The Issuer hereby covenants and agrees for the benefit of the Owners and Beneficial Owners of the Series 2020 Notes that it will maintain issuance capacity pursuant to the Resolution to issue Series 2020 Bonds and/or Series 2020 Refunding Obligations or additional Series 2020 Notes in an amount sufficient to pay the principal of and interest on the Series 2020 Notes when due.

**SECTION 2.08. Delegation to an Authorized Officer.**

1. There is hereby delegated to each Authorized Officer, subject to the limitations contained in this Supplemental Resolution, the following powers with respect to the Series 2020 Notes:

(a) to determine whether and when to issue any Series 2020 Notes, whether to issue the Series 2020 Notes as Senior Lien Series 2020 Notes or as Second Lien Series 2020 Notes, the amount of the Series 2020 Notes to be applied to the uses as provided in Section 2.02 of this Supplemental Resolution and the amount of the proceeds of the Series 2020 Notes estimated to be necessary to pay the Costs of Issuance of the Series 2020 Notes;

(b) to determine the purpose or purposes for which the Series 2020 Notes are being issued, which shall be one or more of the purposes set forth in Section 2.02 hereof;

(c) to determine the principal amount of the Series 2020 Notes to be issued, which principal amount shall not exceed the amount described in Section 2.01 of this Supplemental Resolution, and whether such Series 2020 Notes shall be issued in one or more Series or subseries;

(d) to determine the maturity date and principal amount of each maturity of the Series 2020 Notes; provided that the Series 2020 Notes shall mature no later than five years after the date of issuance of such Series 2020 Notes;

(e) to determine the date or dates which the Series 2020 Notes shall be dated and the interest rate or rates of the Series 2020 Notes, provided that the true interest cost (as calculated by the officers of the Issuer executing any Certificate of Determination, which calculation shall be conclusive) on the Series 2020 Notes bearing a fixed rate of interest shall not exceed 4% per annum and for Series 2020 notes bearing interest at a variable interest rate shall not exceed a rate equal to SIFMA or one-month or three-month LIBOR or any short-term index generally accepted in the marketplace, in each case, plus 4% and any default rate or equivalent rate shall not exceed the sum of 4% plus either a specified prime rate or the federal funds rate;

(f) to determine the Redemption Price or Redemption Prices, if any, and the redemption terms, if any, for the Series 2020 Notes; provided, however, that if the Series 2020 Notes are to be redeemable at the election of the Issuer, the Redemption Price (except in the case of Series 2020 Notes issued as Taxable Obligations) shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2020 Notes to be redeemed, plus accrued interest thereon up to but not including the date of redemption and in the case of Series 2020 Notes issued as Taxable Obligations the Redemption Price may be determined pursuant to provisions relating to pro rata redemption and/or make-whole redemption;

(g) to determine the advisability of conducting the sale of all or any portion of the Series 2020 Notes through competitive bidding or through a negotiated sale or a direct purchase transaction, and to determine the purchase price for the Series 2020 Notes to be paid by the purchasers pursuant to either a competitive bid process or by the purchasers referred to in the Purchase Agreement described in Section 2.09 of this Supplemental Resolution in the event the Series 2020 Notes are sold, in such officer's discretion, through a negotiated sale or a direct

purchase transaction, which may include such original premium and original issue discount as shall be determined in the related Certificate of Determination, provided, however, that in the case of a negotiated transaction, underwriters' discount reflected in such purchase price shall not exceed \$3.50 for each one thousand dollars (\$1,000) principal amount of the Series 2020 Notes;

(h) to determine the advisability, as compared to an unenhanced transaction, of obtaining municipal bond insurance or any other credit or liquidity facility, to determine and accept the terms and provisions and price thereof, to determine the items to be pledged to the Series 2020 Notes from those permitted by Section A-203 of the Resolution, and to determine such other matters as the officer executing any Certificate of Determination shall consider necessary or appropriate and to effect such determinations by making any changes in or additions to this Supplemental Resolution required by bond insurers or the provider of any other credit or liquidity facility, if any, or required by the bond rating agencies in order to attain or maintain specific ratings on the Series 2020 Notes, or relating to the mechanism for the payment of insurance premium, credit or liquidity facility fees or direct purchase fees, notices, the provision of information, and such other matters of a technical, mechanical, procedural or descriptive nature necessary or appropriate to implement an insurance policy or any other credit or liquidity facility with respect to the Series 2020 Notes, and to make any changes in connection therewith. Such changes may include, but are not limited to, the making of any additional covenants with Owners or other parties deemed necessary or appropriate by the officer executing any Certificate of Determination;

(i) to take all actions required for the Series 2020 Notes to be eligible under the rules and regulations of The Depository Trust Company ("DTC") for investment and trading as uncertificated securities, to execute and deliver a standard form letter of representation with, or other form of document required by, DTC and, notwithstanding any provisions to the contrary contained in this Supplemental Resolution, to include in any Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Notes issuable in fully registered form; and

(j) to determine whether to issue all or any part of the Series 2020 Notes as Tax-Exempt Obligations or Taxable Obligations;

(k) to make such changes to the form of this Supplemental Resolution as may be required by a Rating Agency in order to attain or maintain specific ratings on the Series 2020 Notes;

(l) to make such changes to the form of this Supplemental Resolution as may be necessary or desirable in order to cure any ambiguities, inconsistencies or other defects; and

(m) to determine any other matters provided for herein, including the matters set forth in Sections 2.11 and 2.12 hereof.

2. Any Authorized Officer shall execute one or more Certificates of Determination evidencing the determinations made pursuant to this Supplemental Resolution and any such Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein. More than one Certificate of Determination may be delivered to the extent more than one Series or subseries of Series 2020 Notes are delivered from time to time, or other authority is exercised under this Supplemental Resolution from time to time and each such Certificate of Determination shall be delivered to the Trustee concurrently with the authentication and delivery of the respective Series or subseries of Series 2020 Notes by the Trustee or other documentation. Determinations set forth in any Certificate of Determination shall have the same effect as if set forth in this Supplemental Resolution.

3. Any such Authorized Officer may exercise any authority delegated under this Supplemental Resolution from time to time following issuance of any Series 2020 Notes, as appropriate for any purposes, including to change interest rate modes or auction periods; to obtain or terminate one or more Credit Facilities, including substitute or additional Credit Facilities; to enter into one or more bank direct purchase agreements or similar instruments; to appoint new or additional agents or other parties deemed appropriate to a particular form or mode of Obligation or manner of sale; to enter into one or more remarketing agreements, firm remarketing agreements, continuing disclosure agreements or other agreements in connection with the remarketing of any Series 2020 Notes; if any Series 2020 Notes shall consist of multiple subseries, to change the principal amounts and number of the individual subseries or to combine one or more subseries into a single Series or subseries; or, if any Series 2020 Notes consist of a single Series or subseries, to divide such Series or subseries into two or more subseries and to determine the principal amount of such subseries. In connection with the remarketing, by negotiated sale, competitive bid or direct or private placement, of any Series 2020 Notes, any such Authorized Officer is hereby authorized to make public and to authorize the use and distribution by remarketing agents or other appropriate parties of a remarketing circular (including a preliminary remarketing circular), or other disclosure document, in substantially the form most recently executed or delivered by the Issuer in connection with the remarketing of Obligations, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable. Any Authorized Officer shall execute one or more amendments to the applicable Certificate or Certificates of Determination evidencing the determinations made pursuant to this paragraph and any such amended Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein.

**SECTION 2.09. Sale of Series 2020 Notes.** Each Authorized Officer is hereby authorized either (i) to sell and award all or any portion of the Series 2020 Notes through a competitive bidding process to purchasers meeting the requirements of one or more Notices of Sale (as hereinafter defined) to be published in order to give notice of the competitive sale of the Series 2020 Notes; (ii) to sell and award all or any portion of the Series 2020 Notes through a negotiated sale to the purchasers who are referred to in the note purchase agreement and who shall be selected from the then current list of approved underwriters or shall be the Municipal Liquidity Facility {"MLF"} program or similar federal or State program; (iii) to sell and award all or any portion of the Series 2020 Notes through a direct sale to the financial institution or institutions selected by the Authorized Officer who shall be referred to in the continuing covenant, direct purchase or similar agreement; or (iv) to issue all or any portion of the Series 2020 Notes in the form of a Loan Facility to any financial institution or institutions selected by the Authorized Officer. Each Authorized Officer is hereby authorized to sell and award the Series 2020 Notes to the purchasers referred to in the preceding sentence in the case of a note purchase agreement, in substantially the form most recently executed or delivered by the Issuer in connection with the sale of Obligations, or, with respect to a sale under the MLF program, a note purchase agreement in substantially the form most recently executed or delivered by the Issuer under the MLF program, or, with respect to a Loan Facility or a continuing covenant, direct purchase or similar agreement, containing bank facility terms and provisions (including, without limitation, increased costs, term-out, events of default and remedies) in substantially the form set forth in a letter of credit reimbursement agreement most recently executed or delivered by the Issuer, including, if applicable, that the requirement that the Loan Facility issuer or direct purchaser offer to the Issuer a term-out provision of no less than five years, with such revisions to reflect the terms and provisions of the Series 2020 Notes as may be approved by the Authorized Officer executing the note purchase, Loan Facility, continuing covenant or similar agreement (each, a "Purchase Agreement"). Each Authorized Officer is hereby authorized to agree to the selection of the representative of the underwriters or the other purchasers or facility providers as referred to in the Purchase Agreement or Agreements and to execute and deliver the Purchase Agreement or Agreements for and on behalf and in the name of the Issuer with such changes, omissions, insertions and revisions as may be approved by the Authorized Officer executing the Purchase Agreement or Agreements, said execution being conclusive evidence of such approval and concurrence in the selection of the representative of the underwriters.

If it is determined that any sale of Series 2020 Notes shall be conducted on a competitive bid basis, each Authorized Officer is hereby further authorized to conduct the sale and award of the Series 2020 Notes on the basis of a competitive bid, pursuant to the terms of a notice of sale, including bid form (the "Notice of Sale"), in a form, including any limitations on permitted bidders and a description of the basis for determining the winning bidder or bidders, determined by such Authorized Officer. Each Authorized Officer is hereby authorized to conduct such competitive sale of the Series 2020 Notes in a manner consistent with this Supplemental Resolution and to utilize the services of the Authority's financial advisor and the services of an electronic bidding service, as such Authorized Officer shall determine, and the execution by such Authorized Officer of a letter of award shall be conclusive evidence of such award.

Each Authorized Officer is hereby authorized, to the extent required, to make public and to authorize the use and distribution by said purchasers of a Preliminary Official Statement (the "Preliminary Official Statement"), in connection with the public offering of the Series 2020 Notes, in substantially the form most recently executed or delivered by the Issuer in connection with the sale of Obligations of the Issuer, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable, said distribution being conclusive evidence of the approval of such changes, omissions, insertions and revisions. The Issuer authorizes any of said officers to deliver a certification to the effect that the Preliminary Official Statement, together with such other documents, if any, described in such certificate, was deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

Each Authorized Officer is hereby authorized, to the extent required, to make public and to authorize distribution of a final official statement, offering circular or other disclosure document (the "Official Statement") in substantially the form of the Preliminary Official Statement or the most recently executed and delivered Official Statement if there is not a Preliminary Official Statement, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable, to sign such Official Statement and to deliver such Official Statement to the purchasers of the Series 2020 Notes, said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

Notwithstanding the preceding two paragraphs, however, each Authorized Officer may make public and authorize the use and distribution of a final Official Statement in connection with the public offering of the Series 2020 Notes meeting the requirements of the preceding two paragraphs and may deem such Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

Each Authorized Officer is hereby authorized to execute and deliver for and on behalf and in the name of the Issuer, to the extent determined by such Authorized Officer to be necessary or convenient, a Continuing Disclosure Agreement, substantially in the form of the Continuing Disclosure Agreement most recently executed and delivered by the Issuer, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable (the "Continuing Disclosure Agreement"), said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

Each Authorized Officer (including any Assistant Secretary of the Issuer) is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out the Notice of Sale, the Purchase Agreement, the Continuing Disclosure Agreement, the terms of any municipal bond insurance or any other credit or liquidity facility, and the issuance, sale and delivery of the Series 2020 Notes, and for implementing the terms of the Series 2020 Notes and the transactions contemplated hereby or thereby.

When reference is made in this Supplemental Resolution to the authorization of an Authorized Officer to do any act, such act may be accomplished by any of such officers individually.

**SECTION 2.10. Forms of Series 2020 Notes and Authentication Certificate.** The form of registered Series 2020 Notes, and the certificate of authentication, shall be of substantially the form and tenor provided in any Certificate of Determination.

**SECTION 2.11. Appointment of Trustee, Paying Agent and other Agents.** There is hereby delegated to any Authorized Officer executing any Certificate of Determination the right and authority to appoint any trustee, paying agent, fiscal agent or other agent with respect to the Series 2020 Notes deemed advisable by such Authorized Officer and to determine the terms and provisions of any arrangements with any such parties.

**SECTION 2.12. General Provisions.** As and to the extent provided in any Certificate of Determination, the provisions of Articles A-III, IV, A-IV, A-VII, A-IX and C-VI of the Resolution may apply equally to the Series 2020 Notes as though set forth in full herein but with each reference to Bonds being a reference to Series 2020 Notes, except as affected by the terms hereof and the procedures of the Securities Depository; provided that the Authorized Officer executing any Certificate of Determination may, in the alternative, set forth in any Certificate of Determination provisions relating to any such matters as deemed necessary or appropriate by such Authorized Officer.

### ARTICLE III

#### DISPOSITION AND ALLOCATION OF SERIES 2020 NOTE PROCEEDS

**SECTION 3.01. Disposition of Series 2020 Note Proceeds.** Except as otherwise provided in any Certificate of Determination, the proceeds of the sale of the Series 2020 Notes shall be deposited in the Series 2020 Note Proceeds Account which is hereby established in the Proceeds Fund and applied pursuant to the related Certificate of Determination for the purposes set forth in Section 2.02, including any Costs of Issuance and accrued and capitalized interest, and the payment of principal of and interest on Outstanding Series 2020 Notes.

### ARTICLE IV

#### TAX COVENANT PROVISIONS AND DEFEASANCE

**SECTION 4.01. Tax Covenants Relating to the Series 2020 Notes.** The Issuer covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2020 Notes issued as Tax-Exempt Obligations, the Issuer will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, the Issuer agrees to comply with such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, the Issuer agrees to continually comply with the provisions of any "Arbitrage and Use of Proceeds Certificate" or "Tax Certificate" to be executed by the Issuer in connection with the execution and delivery of any Series 2020 Notes issued as Tax-Exempt Obligations, as amended from time to time.

Notwithstanding any other provision of the Resolution to the contrary, upon the Issuer's failure to observe, or refusal to comply with, the above covenant (a) the Owners of the Series 2020 Notes, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Owners or the Trustee under Section C-402 of the Resolution (as though such provisions related to Series 2020 Notes rather than Bonds), and (b) neither the Owners of the Notes of any Series (other than the Owners of the Series 2020 Notes or the Trustee acting on their behalf) nor the Trustee acting on their behalf, shall be entitled to exercise

any right or remedy provided to Owners under the Resolution based upon the Issuer's failure to observe, or refusal to comply with, the above covenant.

**SECTION 4.02. Defeasance.** In the event the Issuer shall seek, prior to the maturity or redemption date thereof, to pay or cause to be paid, within the meaning and with the effect expressed in this Supplemental Resolution, all or less than all Outstanding Series 2020 Notes issued as Tax-Exempt Obligations and the provisions of Section 4.01 hereof shall then be of any force or effect, then, notwithstanding the provisions of this Supplemental Resolution, the Series 2020 Notes issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid shall not be deemed to have been paid within the meaning and with the effect expressed in this Supplemental Resolution unless (i) the Issuer has confirmed in writing that the Owners of the Series 2020 Notes issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid will continue, after such action, to have the benefit of a covenant to the effect of the covenant of the Issuer contained in Section 4.01 hereof or (ii) there shall have been delivered to the Trustee an opinion of Bond Counsel to the effect that non-compliance thereafter with the applicable provisions of the Code will not affect the then current treatment of interest on the Series 2020 Notes issued as Tax-Exempt Obligations in determining gross income for Federal income tax purposes.

**METROPOLITAN TRANSPORTATION AUTHORITY**

**SUPPLEMENTAL RESOLUTION  
TO ISSUE PAYROLL MOBILITY TAX REVENUE BONDS  
FOR COVID-19 LOST REVENUES AND INCREASED COSTS**

**Adopted November 18, 2020**

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**SUPPLEMENTAL RESOLUTION  
TO ISSUE PAYROLL MOBILITY TAX REVENUE BONDS  
FOR COVID-19 LOST REVENUES AND INCREASED COSTS**

BE IT RESOLVED by the Board of Metropolitan Transportation Authority (the “Issuer”), as follows:

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

**Section 1.01 Supplemental Resolution.** This Supplemental Resolution to Issue Payroll Mobility Tax Revenue Bonds for COVID-19 Lost Revenues and Increased Costs (the “Supplemental Resolution”) is supplemental to, and is adopted in accordance with Article II, Article A-II and Article C-V of a resolution adopted by the Issuer on November 18, 2020, entitled “Payroll Mobility Tax Obligation Resolution”, as heretofore supplemented (the “Resolution”).

**Section 1.02 Definitions.**

1. All capitalized terms which are used but not otherwise defined in this Supplemental Resolution shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

2. In this Supplemental Resolution:

“Authorized Officer” shall include the officers designated as such in the Resolution, and the Chairman, the Managing Director, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance of the MTA, as well as any officer duly designated as “Acting” in said officer’s capacity, except that, for the purposes of any delegation set forth herein that does not expressly include any Assistant Secretary, “Authorized Officer” shall not include any Assistant Secretary of the Issuer.

“BANs Supplemental Resolution” shall mean the “Multiple Series 2020 Bond Anticipation Notes and Related Subordinated Indebtedness Payroll Mobility Tax Obligation Supplemental Resolution” adopted by the Board on November 18, 2020, as amended or supplemented from time to time.

“Board” shall mean, when used with respect to the Issuer, the board of the Issuer acting as such pursuant to the provisions of the Issuer Act.

“Bond Counsel” shall mean Nixon Peabody LLP, Orrick, Herrington & Sutcliffe LLP, D. Seaton and Associates, P.A., P.C., Bryant Rabbino LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“Refunding Obligation Supplemental Resolution” shall mean the “Multiple Series Payroll Mobility Tax Refunding Obligation Supplemental Resolution” adopted by the Board on November 18, 2020, as amended or supplemented from time to time.

“Series 2020 Bonds” shall mean the Payroll Mobility Tax Revenue Obligations authorized by Article II of this Supplemental Resolution, subject to designation as hereinafter provided.

“Series 2020 Notes” shall mean the Payroll Mobility Tax Obligation Anticipation Notes, authorized to be issued, in accordance with Section A-203 of the Standard Resolution Provisions and/or Section B-203 of the Second Lien Standard Resolution Provisions, pursuant to the BANs Supplemental Resolution or another Supplemental Resolution of the Issuer adopted in accordance with the Resolution.

**Section 1.03 Authority for this Supplemental Resolution.** This Supplemental Resolution is adopted pursuant to the provisions of the Issuer Act and the Resolution.

## ARTICLE II

### AUTHORIZATION OF SERIES 2020-2022 BONDS

**Section 2.01 Principal Amount, Designation and Series.** Pursuant to the Resolution and Section 1265.3-a of the Issuer Act, Obligations, which may be issued as Senior Lien Obligations or as Second Lien Obligations, in one or more Series or subseries and from time to time, entitled to the benefit, protection and security of the Resolution are hereby authorized to be issued in an aggregate principal amount not to exceed \$2,907,280,000 and relating to, among other things, the offset of certain decreased revenues and certain increases in operating costs described in paragraph (a) of subsection 3-a of Section 1265 of the Issuer Act, as such subsection may be amended from time to time (“COVID-19 Lost Revenue and Increased Costs”).

Series 2020 Bonds shall be designated as, and shall be distinguished from the Obligations of all other Series by the title, “Payroll Mobility Tax Revenue Bonds, Series 2020” or such other title or titles set forth in one or more Certificates of Determination, including designating the Series of the Obligations to reflect the year in which such Obligations are issued.

The authorization to issue the Series 2020 Bonds for the purposes set forth in Section 2.02 shall continue in effect as provided by law, unless terminated by the Issuer.

**Section 2.02 Purposes.** The proceeds of the Series 2020 Bonds shall be used only for the purposes set forth in one or more Certificates of Determination and may include the application for any lawful purpose, including the offset of COVID-19 Lost Revenue and Increased Costs, Costs of Issuance and capitalized interest, and the refinancing or refunding of other Obligations issued under this Supplemental Resolution, Obligation Anticipation Notes issued under the BANs Supplemental Resolution or of Obligations issued under the Refunding Obligation Supplemental Resolution.

**Section 2.03 Dates, Maturities, Principal Amounts and Interest.** The Series 2020 Bonds, except as otherwise provided in the Resolution, shall be dated the date or dates determined in the related Certificate of Determination. The Series 2020 Bonds shall mature on the date or dates and in the year or years and principal amount or amounts, and shall bear interest at the rate or rates per annum, if any, specified in or determined in the manner provided in the related Certificate of Determination.

**Section 2.04 Interest Payments.** The Series 2020 Bonds shall bear interest from their date or dates and be payable on such date or dates as may be determined pursuant to the related Certificate of Determination. Except as otherwise provided in the related Certificate of Determination, interest on the Series 2020 Bonds shall be computed on the basis of twelve (12) 30-day months and a 360-day year.

**Section 2.05 Denominations, Numbers and Letters.** Unless otherwise provided in the related Certificate of Determination, the Series 2020 Bonds shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Series 2020 Bonds shall be lettered and numbered as provided in the related Certificate of Determination.

**Section 2.06 Places of Payment and Paying Agent.** Except as otherwise provided in the related Certificate of Determination, principal and Redemption Price of the Series 2020 Bonds shall be payable to the registered owner of each Series 2020 Bond when due upon presentation of such Series 2020 Bond at the principal corporate trust office of the Trustee. Except as otherwise provided in the related Certificate of Determination, interest on the registered Series 2020 Bonds will be paid by check or draft mailed on the interest payment date by the Paying Agent, to the registered owner at his address as it appears on the registration books or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series 2020 Bonds, by wire transfer in immediately available funds on each interest payment date to such Owner thereof upon written notice from such Owner to the Trustee, at such address as the Trustee may from time to time notify such Owner, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed, if such written notice is received not less than twenty (20) days prior to the related interest payment date (such notice may refer to multiple interest payments).

**Section 2.07 Sinking Fund Installments.** The Series 2020 Bonds, if any, as determined in the related Certificate of Determination, shall be subject to redemption in part, by lot, or otherwise as determined in accordance with Section A-404 of the Resolution, on each date in the year or years at the principal amount thereof as determined in the related Certificate of Determination, plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on each such date the principal amount of such Series 2020 Bonds.

**Section 2.08 Redemption Prices and Terms.** The Series 2020 Bonds may also be subject to redemption prior to maturity, at the option of the Issuer, upon notice as provided in Article A-IV of the Resolution, at any time as a whole or in part (and by lot within a maturity, or otherwise as determined in accordance with Section A-404 of the Resolution, if less than all of a maturity is to be redeemed), from maturities designated by the Issuer on and after the date and in

the years and at the Redemption Prices (expressed as a percentage of principal amount) determined in the related Certificate of Determination, plus accrued interest up to but not including the redemption date. Notwithstanding the foregoing, in the case of taxable Series 2020 Bonds, if set forth in the Certificate of Determination, the taxable Series 2020 Bonds may be made subject to pro rata redemption and/or a make-whole redemption premium.

**Section 2.09 Delegation to an Authorized Officer.** 1. There is hereby delegated to each Authorized Officer, subject to the limitations contained in this Supplemental Resolution, the following powers with respect to the Series 2020 Bonds:

(a) to determine whether and when to issue any Series 2020 Bonds, whether to issue the Series 2020 Bonds as Senior Lien Series 2020 Bonds or as Second Lien Series 2020 Bonds, the amount of the Series 2020 Bonds to be applied to finance the purposes thereof, and the amount of the proceeds of the Series 2020 Bonds, estimated to be necessary to pay the Costs of Issuance of the Series 2020 Bonds and capitalized interest, if any;

(b) to determine the purpose or purposes for which the Series 2020 Bonds are being issued, which shall be one or more of the purposes set forth in Section 2.02 of this Supplemental Resolution;

(c) to determine the principal amounts of the Series 2020 Bonds to be issued for the purposes set forth in Section 2.02 of this Supplemental Resolution and whether such principal amounts constitute a separate Series or a subseries of Series 2020 Bonds, which principal amounts (and the aggregate of all such Series and subseries) shall not exceed the principal amounts permitted by Section 2.01 of this Supplemental Resolution, and to determine Accreted Values and Appreciated Values, if applicable;

(d) to determine the maturity date and principal amount of each maturity of the Series 2020 Bonds and the amount and due date of each Sinking Fund Installment, if any;

(e) to determine the date or dates which the Series 2020 Bonds shall be dated and the interest rate or rates of the Series 2020 Bonds or the manner of determining such interest rate or rates; provided, however, that, unless otherwise determined by an Authorized Officer in a Certificate of Determination in connection with the issuance of Series 2020 Bonds to provide for the refinancing or refunding of Obligation Anticipation Notes issued under the BANs Supplemental Resolution or of Obligations issued under the Refunding Obligation Supplemental Resolution, any Series 2020 Bonds issued as fixed rate Tax-Exempt Obligations shall be subject to a maximum interest rate of not greater than 10% per annum, any Series 2020 Bonds issued as fixed rate Taxable Obligations shall be subject to a maximum interest rate of not greater than 12% per annum, any Variable Interest Rate Obligations issued as Tax-Exempt Obligations shall be subject to a maximum interest rate of not greater than 15% per annum, any Variable Interest Rate Obligations issued as Taxable Obligations shall be subject to a maximum interest rate of not greater than 18% per annum and any Parity Reimbursement Obligations shall be

subject to a maximum interest rate of not greater than 25% per annum, or, in each such case, such higher rate or rates as determined by the Issuer's Board;

(f) to determine the Redemption Price or Redemption Prices, if any and the redemption terms, if any, for the Series 2020 Bonds; provided, however, that if the Series 2020 Bonds are to be redeemable at the election of the Issuer, the Redemption Price (except in the case of taxable Series 2020 Bonds) shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2020 Bonds to be redeemed, plus accrued interest thereon up to but not including the date of redemption and in the case of taxable Series 2020 Bonds the Redemption Price may be determined pursuant to provisions relating to pro rata redemption and/or make-whole redemption;

(g) to determine whether the sale of the Series 2020 Bonds shall be conducted on either a negotiated or competitive bid basis and, as applicable, to determine the purchase price for the Series 2020 Bonds to be paid by the purchaser or purchasers referred to in one or more Purchase Agreements or a bank direct purchase agreement or the purchase price for the Series 2020 Bonds to be paid by the winning bidder, if such sale is conducted by competitive bid pursuant to a Notice of Sale (as hereinafter defined), in either case as such document is described in Section 2.10 of this Supplemental Resolution, which may include such original issue discount and original issue premium as shall be determined in the related Certificate of Determination; provided, however, that the underwriters' discount reflected in such purchase price shall not exceed \$10.00 for each one thousand dollars (\$1,000) principal amount of the Series 2020 Bonds;

(h) to take all actions required for the Series 2020 Bonds to be eligible under the rules and regulations of The Depository Trust Company ("DTC") for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and, notwithstanding any provisions to the contrary contained in this Supplemental Resolution, to include in the related Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Series 2020 Bonds issuable in fully registered form;

(i) to determine whether to issue all or any portion of the Series 2020 Bonds as Tax-Exempt Obligations, Taxable Obligations, Put Obligations, Variable Interest Rate Obligations or as any other form of Obligations permitted by the Resolution and any matters related thereto, including (i) the terms and provisions of any such Series 2020 Bonds, (ii) the selection of remarketing agents, tender agents, calculation agents, auction agents, dealers, bidding agents or any other agents or parties to ancillary arrangements and the terms of any such arrangements, and (iii) the methods for determining the accrual of Debt Service;

(j) to determine the advisability, as compared to an unenhanced transaction, of obtaining one or more Credit Facilities, to select a provider or providers thereof and to determine and accept the terms and provisions and price thereof, to determine such other matters related thereto as in the opinion of the officer executing the related Certificate of Determination shall be considered necessary or appropriate and to effect such determinations by making any changes in or additions to this Supplemental Resolution

required by Credit Facility providers, if any, or required by a Rating Agency in order to attain or maintain specific ratings on the Series 2020 Bonds, or relating to the mechanisms for the repayment of amounts advanced thereunder or payment of fees, premiums, expenses or any other amounts, notices, the provision of information, and such other matters of a technical, mechanical, procedural or descriptive nature necessary or appropriate to obtain or implement a Credit Facility with respect to the Series 2020 Bonds, and to make any changes in connection therewith;

(k) to make such changes to the form of this Supplemental Resolution as may be required by a Rating Agency in order to attain or maintain specific ratings on the Series 2020 Bonds;

(l) to make such changes to the form of this Supplemental Resolution as may be necessary or desirable in order to cure any ambiguities, inconsistencies or other defects; and

(m) to determine such other matters specified in or permitted by (i) Sections 201, 202, A-201 and C-201 of the Resolution or (ii) this Supplemental Resolution, including preparation of any documentation therefor.

2. Any Authorized Officer shall execute one or more Certificates of Determination evidencing the determinations made pursuant to this Supplemental Resolution and any such Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein. More than one Certificate of Determination may be delivered to the extent more than one Series or subseries of Series 2020 Bonds are delivered from time to time or other authority is exercised under this Supplemental Resolution from time to time and each such Certificate of Determination shall be delivered to the Trustee concurrently with the authentication and delivery of the respective Series or subseries of Series 2020 Bonds by the Trustee or other documentation. Determinations set forth in any Certificate of Determination shall have the same effect as if set forth in this Supplemental Resolution.

3. Any such Authorized Officer may exercise any authority delegated under this Supplemental Resolution from time to time following issuance of any Series 2020 Bonds, as appropriate for any purposes, including to change interest rate modes or auction periods; to obtain or terminate one or more Credit Facilities, including substitute or additional Credit Facilities; to enter into one or more bank direct purchase agreements or similar instruments; to appoint new or additional agents or other parties deemed appropriate to a particular form or mode of Obligation or manner of sale; to enter into one or more remarketing agreements, firm remarketing agreements, continuing disclosure agreements or other agreements in connection with the remarketing of any Series 2020 Bonds; if any Series 2020 Bonds shall consist of multiple subseries, to change the principal amounts and number of the individual subseries or to combine one or more subseries into a single Series or subseries; or, if any Series 2020 Bonds consist of a single Series or subseries, to divide such Series or subseries into two or more subseries and to determine the principal amount of such subseries. In connection with the remarketing, by negotiated sale, competitive bid or direct or private placement, of any Series 2020 Bonds, any such Authorized Officer is hereby authorized to make public and to authorize the use and distribution by remarketing agents or other appropriate parties of a remarketing

circular (including a preliminary remarketing circular), or other disclosure document, in substantially the form executed or delivered by the Issuer in connection with the remarketing of other obligations, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable. Any Authorized Officer shall execute one or more amendments to the applicable Certificate or Certificates of Determination evidencing the determinations made pursuant to this paragraph and any such amended Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein.

**Section 2.10 Sale of Series 2020 Bonds.** Each Authorized Officer is hereby authorized either (i) to sell and award all or any portion of the Series 2020 Bonds through a competitive bidding process to purchasers meeting the requirements of one or more Notices of Sale (as hereinafter defined) to be published in order to give notice of the competitive sale of the Series 2020 Bonds; (ii) to sell and award all or any portion of the Series 2020 Bonds through a negotiated sale to the purchasers who are referred to in the bond purchase agreement and who shall be selected from the then current list of approved underwriters or shall be the Municipal Liquidity Facility program or similar federal or State program; or (iii) to sell and award all or any portion of the Series 2020 Bonds through a direct sale to the financial institution or institutions selected by the Authorized Officer who shall be referred to in the continuing covenant, direct purchase or similar agreement. Each Authorized Officer is hereby authorized to sell and award the Series 2020 Bonds to the purchasers referred to in the preceding sentence in the case of a bond purchase agreement, in substantially the form executed or delivered by the Issuer in connection with the sale of other Issuer obligations, or, with respect to a continuing covenant, direct purchase or similar agreement, containing bank facility terms and provisions (including, without limitation, increased costs, term-out, events of default and remedies) in substantially the form set forth in a letter of credit reimbursement agreement executed or delivered by the Issuer in connection with the sale of other Issuer obligations, including, if applicable, that the direct purchaser offer to the Issuer a term-out provision of no less than five years, with such revisions to reflect the terms and provisions of the Series 2020 Bonds as may be approved by the Authorized Officer executing the bond purchase, continuing covenant or similar agreement (each, a “Purchase Agreement”). Each Authorized Officer is hereby authorized to agree to the selection of the representative of the underwriters or the other purchasers or facility providers as referred to in the Purchase Agreement or Agreements and to execute and deliver the Purchase Agreement or Agreements for and on behalf and in the name of the Issuer with such changes, omissions, insertions and revisions as may be approved by the Authorized Officer executing the Purchase Agreement or Agreements, said execution being conclusive evidence of such approval and concurrence in the selection of the representative of the underwriters.

If it is determined that any sale of Series 2020 Bonds shall be conducted on a competitive bid basis, each Authorized Officer is hereby further authorized to conduct the sale and award of the Series 2020 Bonds on the basis of a competitive bid, pursuant to the terms of a notice of sale, including bid form (the “Notice of Sale”), in a form, including any limitations on permitted bidders and a description of the basis for determining the winning bidder or bidders, determined by such Authorized Officer. Each Authorized Officer is hereby authorized to conduct such competitive sale of the Series 2020 Bonds in a manner consistent with this Supplemental Resolution and to utilize the services of the Authority’s financial advisor and the services of an electronic bidding service, as such Authorized Officer shall determine, and the execution by such Authorized Officer of a letter of award shall be conclusive evidence of such award.

Each Authorized Officer is hereby authorized to make public and to authorize the use and distribution by said purchasers or other appropriate parties of a preliminary official statement, offering circular, or other disclosure document (the "Preliminary Official Statement") in connection with each public offering or any direct or private placement of the Series 2020 Bonds, in substantially the form executed or delivered by the Issuer in connection with the sale of other Issuer obligations, with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Issuer authorizes any of said officers to deliver a certification to the effect that such Preliminary Official Statement or Official Statement, if deemed necessary or appropriate, together with such other documents, if any, described in such certificate, was deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission as applicable.

Each Authorized Officer is hereby authorized to make public and to authorize distribution of a final official statement, offering circular or other disclosure document (the "Official Statement") in substantially the form of each Preliminary Official Statement or an executed and delivered Official Statement in connection with other Issuer obligations if there is not a Preliminary Official Statement, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable, to sign such Official Statement and to deliver such Official Statement to the purchasers of such issue of the Series 2020 Bonds, such execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

Each Authorized Officer is hereby authorized to execute and deliver for and on behalf and in the name of the Issuer, to the extent determined by such Authorized Officer to be necessary or convenient, a Continuing Disclosure Agreement, substantially in the form of the Continuing Disclosure Agreement executed and delivered by the Issuer in connection with other obligations, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable (the "Continuing Disclosure Agreement"), said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

The proceeds of each good faith check, if any, received by the Issuer from the purchasers of each issue of the Series 2020 Bonds under the terms of the related Purchase Agreement or Notice of Sale may be invested by the Issuer pending application of the proceeds of such good faith check for the purposes provided in Section 2.02 of this Supplemental Resolution at the time of the issuance and delivery of such Series 2020 Bonds.

Each Authorized Officer (including any Assistant Secretary of the Issuer) is hereby authorized and directed to execute, deliver, amend, replace or terminate any and all documents and instruments (including any remarketing agreements, dealer agreements, broker-dealer agreements, tender agent agreements, or auction agency agreements, any investment agreements or arrangements, or any reimbursement agreements or documents or instruments relating to a Credit Facility deemed appropriate to a given form or mode of an Obligation) and to do and cause to be done any and all acts necessary or proper for carrying out each Purchase Agreement or Notice of Sale, each Continuing Disclosure Agreement, the terms of any Credit Facility or other such agreement or arrangement, and the issuance, sale and delivery of the Series 2020 Bonds and for implementing the terms of the Series 2020 Bonds and the transactions contemplated hereby or thereby.

When reference is made in this Supplemental Resolution to the authorization of an Authorized Officer to do any act, such act may be accomplished by any of such officers individually.

**Section 2.11 Forms of Series 2020 Bonds and Trustee’s Authentication Certificate.** Subject to the provisions of the Resolution, the form of registered Series 2020 Bonds, and the Trustee’s certificate of authentication, shall be substantially in the form set forth in Exhibit One to the Resolution including, if necessary, any changes to comply with the requirements of DTC or the provisions of this Supplemental Resolution or the related Certificate of Determination.

**Section 2.12 Appointment of Trustee and Paying Agent.** The Authorized Officers are hereby authorized to select a qualifying trustee meeting the qualifications under the Resolution to act as the Trustee under the Resolution and the Paying Agent for the Series 2020 Bonds.

### ARTICLE III

#### DISPOSITION OF SERIES 2020 BOND PROCEEDS

**Section 3.01 Disposition of Series 2020 Bond Proceeds.** Any proceeds of the sale of the Series 2020 Bonds, other than accrued interest and capitalized interest, if any, shall be deposited, simultaneously with the issuance and delivery of a series or subseries of the Series 2020 Bonds, or shall otherwise be applied pursuant to a Certificate of Determination as follows:

1. such proceeds shall be (i) deposited in the Series 2020 Bond Proceeds Account, which is hereby established in the Obligations Proceeds Fund for each such series or subseries, for the purposes set forth in Section 2.02; and
2. the balance of such proceeds shall be (i) deposited in the Series 2020 Costs of Issuance Account, which is hereby established in the Obligations Proceeds Fund for each such series or subseries, and applied to the payment of Costs of Issuance, or (ii) otherwise applied to the payment of Costs of Issuance.

Unless otherwise provided in the related Certificate of Determination, accrued interest and capitalized interest, if any, received on the sale of the Series 2020 Bonds shall be deposited in the Debt Service Fund.

### ARTICLE IV

#### TAX COVENANTS AND DEFEASANCE

**Section 4.01 Tax Covenants Relating to the Series 2020 Bonds.** The Issuer covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2020 Bonds issued as Tax-Exempt Obligations, the Issuer will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, the Issuer agrees to comply with such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, the Issuer agrees to continually comply with

the provisions of any “Arbitrage and Use of Proceeds Certificate” or “Tax Certificate” to be executed by the Issuer in connection with the execution and delivery of any Series 2020 Bonds issued as Tax-Exempt Obligations, as amended from time to time.

Notwithstanding any other provision of the Resolution to the contrary, upon the Issuer’s failure to observe, or refusal to comply with the above covenant (a) the Owners of the Series 2020 Bonds, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Owners or the Trustee under Section C-402 of the Resolution, other than the right (which is hereby abrogated solely as to the Issuer’s failure to observe, or refusal to comply with the above covenant) to declare the principal of all Obligations then Outstanding, and the interest accrued thereon, to be due and payable pursuant to Section 1273 of the Issuer Act, and (b) neither the Owners of the Obligations of any Series (other than the Owners of the Series 2020 Bonds or the Trustee acting on their behalf), nor the Trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to the Owners or the Trustee under the Resolution based upon the Issuer’s failure to observe, or refusal to comply with, the above covenant.

**Section 4.02 Defeasance.** In the event the Issuer shall seek, prior to the maturity or redemption date thereof, to pay or cause to be paid, within the meaning and with the effect expressed in the Resolution, all or less than all Outstanding Series 2020 Bonds issued as Tax-Exempt Obligations and the provisions of Section 4.01 hereof shall then be of any force or effect, then, notwithstanding the provisions of Article A-IX of the Resolution, the Series 2020 Bonds issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid shall not be deemed to have been paid within the meaning and with the effect expressed in Section A-901 of the Resolution unless (i) the Issuer has confirmed in writing that the Owners of the Series 2020 Bonds issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid will continue, after such action, to have the benefit of a covenant to the effect of the covenant of the Issuer contained in Section 4.01 hereof or (ii) there shall have been delivered to the Trustee an Opinion of Bond Counsel to the effect that non-compliance thereafter with the applicable provisions of the Code will not affect the then current treatment of interest on the Series 2020 Bonds issued as Tax-Exempt Obligations in determining gross income for Federal income tax purposes.

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**METROPOLITAN TRANSPORTATION AUTHORITY**

**MULTIPLE SERIES  
PAYROLL MOBILITY TAX REFUNDING OBLIGATION  
SUPPLEMENTAL RESOLUTION**

**Adopted November 18, 2020**

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**MULTIPLE SERIES  
PAYROLL MOBILITY TAX REFUNDING OBLIGATION  
SUPPLEMENTAL RESOLUTION**

BE IT RESOLVED by the Metropolitan Transportation Authority (the “Issuer”), as follows:

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

**Section 1.01. Supplemental Resolution.** This Multiple Series Payroll Mobility Tax Refunding Obligation Supplemental Resolution (this “Supplemental Resolution”) is supplemental to, and is adopted in accordance with Article II and Article C-V of, a resolution of the Issuer adopted on November 18, 2020, entitled “Payroll Mobility Tax Obligation Resolution” (the “Resolution”).

**Section 1.02. Definitions.**

1. All capitalized terms which are used but not otherwise defined in this Supplemental Resolution shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

2. In this Supplemental Resolution:

“Authorized Officer” shall include the officers designated as such in the Resolution, and the Chairman, the Managing Director, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance of the MTA, as well as any officer duly designated as “Acting” in said officer’s capacity, except that, for the purposes of any delegation set forth herein that does not expressly include any Assistant Secretary, “Authorized Officer” shall not include any Assistant Secretary of the Issuer.

“BANs Supplemental Resolution” shall mean the “Multiple Series 2020 Bond Anticipation Notes and Related Subordinated Indebtedness Payroll Mobility Tax Obligation Supplemental Resolution” adopted by the Board on November 18, 2020, as amended or supplemented from time to time.

“Board” shall mean, when used with respect to the Issuer, the board of the Issuer acting as such pursuant to the provisions of the Issuer Act.

“Bond Counsel” shall mean Nixon Peabody LLP, Orrick, Herrington & Sutcliffe LLP, D. Seaton and Associates, P.A., P.C., Bryant Rabbino LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“New Money Supplemental Resolution” shall mean the “Supplemental Resolution to Issue Payroll Mobility Tax Revenue Bonds for COVID-19 Lost Revenues and Increased Costs” adopted by the Board on November 18, 2020, as amended or supplemented from time to time.

“Refunding Obligations” shall mean the Payroll Mobility Tax Obligations authorized by Article II of this Supplemental Resolution, subject to designation as hereinafter provided.

“Series 2020 Bonds” shall mean the Payroll Mobility Tax Revenue Obligations authorized by the New Money Supplemental Resolution.

“Series 2020 Notes” shall mean the Payroll Mobility Tax Obligation Anticipation Notes authorized by the BANs Supplemental Resolution.

**Section 1.03.** Authority for this Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Issuer Act and the Resolution.

## ARTICLE II

### AUTHORIZATION OF REFUNDING OBLIGATIONS

**Section 2.01.** Authorized Principal Amount, Designation and Series.

1. Pursuant to the Resolution and in order to issue Refunding Obligations, multiple Series of Payroll Mobility Tax Obligations (which may be issued at one time or from time to time as Senior Lien Obligations or as Second Lien Obligations in any number of Series or subseries) entitled to the benefit, protection and security of the Resolution are hereby authorized to be issued in an aggregate principal amount not exceeding the principal amount necessary so that, after giving effect to any net original issue discount or premium and underwriters’ discount from the principal amount, the amount to be deposited in the Refunding Obligations Proceeds Account pursuant to, or otherwise applied to effectuate the purposes of, Section 2.02 and Section 3.01 of this Supplemental Resolution (exclusive of any amount deposited therein or otherwise applied pursuant to a Certificate of Determination to pay accrued interest or capitalized interest or any Costs of Issuance of the Refunding Obligations) shall not exceed the amount or amounts determined in one or more Certificates of Determination to be necessary to effectuate the purposes set forth in Section 2.02 hereof; provided, however, that any Refunding Obligations issued pursuant to this Supplemental Resolution need not be issued in compliance with any Board policies relating to the issuance of Refunding Obligations as may be in effect from time to time and any Refunding Obligations may be issued pursuant to this Supplemental Resolution to restructure principal amortization within the maturity limits permitted by law.

2. Refunding Obligations shall be designated as, and shall be distinguished from the Obligations of all other Series by the title “Payroll Mobility Tax Refunding Obligations, Series [insert calendar year of issuance]” or such other title or titles set forth in the related Certificate of Determination.

The authorization to issue the Refunding Obligations and take other related actions hereunder for the purposes set forth in Section 2.02 shall continue in effect as provided by law, unless terminated by the Issuer.

**Section 2.02. Purposes.** The proceeds of the Refunding Obligations shall be used only for the purposes set forth in one or more Certificates of Determination and may include the refunding, refinancing, restructuring or payment, including by purchasing, exchanging or tendering therefor, of all or any portion of any Outstanding Series 2020 Bonds, Series 2020 Notes or other Refunding Obligations issued under this Supplemental Resolution deemed advisable by an Authorized Officer.

**Section 2.03. Dates, Maturities, Principal Amounts and Interest.** The Refunding Obligations, except as otherwise provided in the Resolution, shall be dated the date or dates determined in the related Certificate of Determination. The Refunding Obligations shall mature on the date or dates and in the year or years and principal amount or amounts, and shall bear interest at the rate or rates per annum, if any, specified in or determined in the manner provided in the related Certificate of Determination.

**Section 2.04. Interest Payments.** The Refunding Obligations shall bear interest from their date or dates and be payable on such date or dates as may be determined pursuant to the related Certificate of Determination. Except as otherwise provided in the related Certificate of Determination, interest on the Refunding Obligations shall be computed on the basis of twelve 30-day months and a 360-day year.

**Section 2.05. Denominations, Numbers and Letters.** Unless otherwise provided in the related Certificate of Determination, the Refunding Obligations shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Refunding Obligations shall be lettered and numbered as provided in the related Certificate of Determination.

**Section 2.06. Places of Payment and Paying Agent.** Except as otherwise provided in the related Certificate of Determination, principal and Redemption Price of the Refunding Obligations shall be payable to the registered owner of each Refunding Obligation when due upon presentation of such Refunding Obligation at the principal corporate trust office of the Trustee. Except as otherwise provided in the related Certificate of Determination, interest on the registered Refunding Obligations will be paid by check or draft mailed on the interest payment date by the Paying Agent, to the registered owner at his address as it appears on the registration books or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Refunding Obligations, by wire transfer in immediately available funds on each interest payment date to such Owner thereof upon written notice from such Owner to the Trustee, at such address as the Trustee may from time to time notify such Owner, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed, if such written notice is received not less than twenty (20) days prior to the related interest payment date (such notice may refer to multiple interest payments).

**Section 2.07. Sinking Fund Installments.** The Refunding Obligations, if any, determined in the related Certificate of Determination shall be subject to redemption (a) in part, by lot, (b) pro

rata (in the case of taxable Refunding Obligations), or (c) otherwise as determined in accordance with Section A-404 of the Resolution, as set forth in the related Certificate of Determination, on each date in the year or years determined in the related Certificate of Determination at the principal amount thereof plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on each such date the principal amount of such Refunding Obligations.

**Section 2.08. Redemption Prices and Terms.** The Refunding Obligations may also be subject to redemption prior to maturity, at the option of the Issuer, upon notice as provided in Article A-IV of the Resolution, at any time as a whole or in part (and by lot within a maturity, or otherwise as determined in accordance with Section A-404 of the Resolution, if less than all of a maturity is to be redeemed), from maturities designated by the Issuer on and after the date and in the years and at the Redemption Prices (expressed as a percentage of principal amount) determined in the related Certificate of Determination, plus accrued interest up to but not including the redemption date. Notwithstanding the foregoing, in the case of taxable Refunding Obligations, if set forth in the Certificate of Determination, the taxable Refunding Obligations may be made subject to pro rata redemption and/or a make-whole redemption premium.

**Section 2.09. Delegation to an Authorized Officer.** 1. There is hereby delegated to each Authorized Officer, subject to the limitations contained in this Supplemental Resolution, the following powers with respect to the Refunding Obligations:

(a) to determine whether and when to issue any Refunding Obligations, whether to issue the Refunding Obligations as Senior Lien Obligations or as Second Lien Obligations, the amount of the proceeds of the Refunding Obligations to be applied to refunding purposes as well as the specific Series 2020 Notes or Series 2020 Bonds, or portions of either to be refunded and the date or dates, if any, on which such refunded obligations shall be redeemed, and the amount of the proceeds of the Refunding Obligations estimated to be necessary to pay the Costs of Issuance of the Refunding Obligations and capitalized interest, if any;

(b) to determine the purpose or purposes for which the Refunding Obligations are being issued, which shall be one or more of the purposes set forth in Section 2.02 of this Supplemental Resolution;

(c) to determine the principal amounts of the Refunding Obligations to be issued for the purposes set forth in Section 2.02 of this Supplemental Resolution and whether such principal amounts constitute a separate Series or a subseries of Refunding Obligations, and to determine Accreted Values and Appreciated Values, if applicable;

(d) to determine the maturity date and principal amount of each maturity of the Refunding Obligations and the amount and due date of each Sinking Fund Installment, if any;

(e) to determine the date or dates which the Refunding Obligations shall be dated and the interest rate or rates of the Refunding Obligations or the manner of determining such interest rate or rates; provided, however, that any Obligations issued as fixed rate Tax-Exempt Obligations shall be subject to a maximum interest rate of not greater than 10% per annum, any Obligations issued as fixed rate Taxable Obligations shall be subject to a maximum interest rate

of not greater than 12% per annum, any Variable Interest Rate Obligations issued as Tax-Exempt Obligations shall be subject to a maximum interest rate of not greater than 15% per annum, any Variable Interest Rate Obligations issued as Taxable Obligations shall be subject to a maximum interest rate of not greater than 18% per annum and any Parity Reimbursement Obligations shall be subject to a maximum interest rate of not greater than 25% per annum, or, in each such case, such higher rate or rates as determined by the Issuer's Board;

(f) to determine the Redemption Price or Redemption Prices, if any, and the redemption terms, if any, for the Refunding Obligations; provided, however, that if the Refunding Obligations are to be redeemable at the election of the Issuer, the Redemption Price (except in the case of taxable Refunding Obligations) shall not be greater than one hundred three percent (103%) of the principal amount of the Refunding Obligations to be redeemed, plus accrued interest thereon up to but not including the date of redemption and in the case of taxable Refunding Obligations the Redemption Price may be determined pursuant to provisions relating to pro rata redemption and/or make-whole redemption;

(g) to determine whether the sale of the Refunding Obligations shall be conducted on either a negotiated or competitive bid basis and, as applicable, to determine the purchase price for the Refunding Obligations to be paid by the purchaser or purchasers referred to in one or more Purchase Agreements or a bank direct purchase agreement, or the purchase price for the Refunding Obligations to be paid by the winning bidder, if such sale is conducted by competitive bid pursuant to a Notice of Sale, in either case as such document is described in Section 2.10 of this Supplemental Resolution, which may include such original issue discount and original issue premium as shall be determined in the related Certificate of Determination; provided, however, that the underwriters' discount reflected in such purchase price shall not exceed \$10.00 for each one thousand dollars (\$1,000) principal amount of the Refunding Obligations;

(h) to take all actions required for the Refunding Obligations to be eligible under the rules and regulations of The Depository Trust Company ("DTC") for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and, notwithstanding any provisions to the contrary contained in this Supplemental Resolution, to include in the related Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Refunding Obligations issuable in fully registered form;

(i) to determine whether to issue all or any portion of the Refunding Obligations as Tax-Exempt Obligations, Taxable Obligations, Put Obligations, Variable Interest Rate Obligations or as any other form of Obligations permitted by the Resolution and any matters related thereto, including (i) the terms and provisions of any such Obligations, (ii) the selection of remarketing agents, tender agents, auction agents, dealers, bidding agents, calculation agents or any other agents or parties to ancillary arrangements and the terms of any such arrangements, and (iii) the methods for determining the accrual of Debt Service;

(j) to determine the advisability, as compared to an unenhanced transaction, of obtaining one or more Credit Facilities, to select a provider or providers thereof, to determine and accept the terms and provisions and price thereof, to determine such other matters related thereto as in the opinion of the officer executing the related Certificate of Determination shall be

considered necessary or appropriate and to effect such determinations by making any changes in or additions to this Supplemental Resolution required by Credit Facility providers, if any, or required by a Rating Agency in order to attain or maintain specific ratings on the Refunding Obligations, or relating to the mechanisms for the repayment of amounts advanced thereunder or payment of fees, premiums, expenses or any other amounts, notices, the provision of information, and such other matters of a technical, mechanical, procedural or descriptive nature necessary or appropriate to obtain or implement a Credit Facility with respect to the Refunding Obligations, and to make any changes in connection therewith;

(k) to make such changes in or from the form of this Supplemental Resolution as may be required by a Rating Agency in order to attain or maintain specific ratings on the Refunding Obligations;

(l) to make such changes in or from the form of this Supplemental Resolution as may be necessary or desirable in order to cure any ambiguities, inconsistencies or other defects;

(m) to determine whether to (i) enter into an escrow agreement or other arrangement in connection with the issuance of Refunding Obligations, including the selection of escrow agents, verification agents and the manner of determining specified matters relating to the defeasance of the refunded obligations and (ii) purchase SLGs or open market securities and the form and substance thereof and any related investment agreement, and to determine the application of any amounts released in connection with any such refunding;

(n) to determine that such Refunding Obligations comply with all Board policies relating to the issuance of refunding obligations in effect at the time of such determination; and

(o) to determine such other matters specified in or permitted by (i) Sections 202, 203, 204 and A-201 of the Resolution or (ii) this Supplemental Resolution, and to determine matters relating to the payment or defeasance of Obligation Anticipation Notes, including preparation of any documentation therefor.

2. Any Authorized Officer shall execute one or more Certificates of Determination evidencing the determinations made pursuant to this Supplemental Resolution and any such Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein. More than one Certificate of Determination may be delivered to the extent more than one Series or subseries of Refunding Obligations are delivered from time to time, or other authority is exercised under this Supplemental Resolution from time to time and each such Certificate of Determination shall be delivered to the Trustee concurrently with the authentication and delivery of the respective Series or subseries of Refunding Obligations by the Trustee or other documentation. Determinations set forth in any Certificate of Determination shall have the same effect as if set forth in this Supplemental Resolution.

3. Any such Authorized Officer may exercise any authority delegated under this Supplemental Resolution from time to time following issuance of any Refunding Obligations, as appropriate for any purposes, including to change interest rate modes or auction periods; to obtain or terminate one or more Credit Facilities, including substitute or additional Credit

Facilities; to enter into one or more bank direct purchase agreements or similar instruments; to appoint new or additional agents or other parties deemed appropriate to a particular form or mode of Obligation or manner of sale; to enter into one or more remarketing agreements, firm remarketing agreements, continuing disclosure agreements or other agreements in connection with the remarketing of any Refunding Obligations; if any Refunding Obligations shall consist of multiple subseries, to change the principal amounts and number of the individual subseries or to combine one or more subseries into a single Series or subseries; or, if any Refunding Obligations consist of a single Series or subseries, to divide such Series or subseries into two or more subseries and to determine the principal amount of such subseries. In connection with the remarketing, by negotiated sale, competitive bid or direct or private placement, of any Refunding Obligations, any such Authorized Officer is hereby authorized to make public and to authorize the use and distribution by remarketing agents or other appropriate parties of a remarketing circular (including a preliminary remarketing circular), or other disclosure document, in substantially the form most recently executed or delivered by the Issuer in connection with the remarketing of Obligations, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable. Any Authorized Officer shall execute one or more amendments to the applicable Certificate or Certificates of Determination evidencing the determinations made pursuant to this paragraph and any such amended Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein.

**Section 2.10. Sale of Refunding Obligations.** Each Authorized Officer is hereby authorized either (i) to sell and award all or any portion of the Refunding Obligations through a competitive bidding process to purchasers meeting the requirements of one or more Notices of Sale (as hereinafter defined) to be published in order to give notice of the competitive sale of the Refunding Obligations; (ii) to sell and award all or any portion of the Refunding Obligations through a negotiated sale to the purchasers who are referred to in the bond purchase agreement and who shall be selected from the then current list of approved underwriters or shall be the Municipal Liquidity Facility program or similar federal or State program; or (iii) to sell and award all or any portion of the Refunding Obligations through a direct sale to the financial institution or institutions selected by the Authorized Officer who shall be referred to in the continuing covenant, direct purchase or similar agreement. Each Authorized Officer is hereby authorized to sell and award the Refunding Obligations to the purchasers referred to in the preceding sentence in the case of a bond purchase agreement, in substantially the form most recently executed or delivered by the Issuer in connection with the sale of Obligations, or, with respect to a continuing covenant, direct purchase or similar agreement, containing bank facility terms and provisions (including, without limitation, increased costs, term-out, events of default and remedies) in substantially the form set forth in a letter of credit reimbursement agreement most recently executed or delivered by the Issuer, including, if applicable, that the direct purchaser offer to the Issuer a term-out provision of no less than five years, with such revisions to reflect the terms and provisions of the Refunding Obligations as may be approved by the Authorized Officer executing the bond purchase, continuing covenant or similar agreement (each, a "Purchase Agreement"). Each Authorized Officer is hereby authorized to agree to the selection of the representative of the underwriters or the other purchasers or facility providers as referred to in the Purchase Agreement or Agreements and to execute and deliver the Purchase Agreement or Agreements for and on behalf and in the name of the Issuer with such changes, omissions, insertions and revisions as may be approved by the Authorized Officer executing the Purchase Agreement or Agreements, said execution being

conclusive evidence of such approval and concurrence in the selection of the representative of the underwriters.

If it is determined that any sale of Bonds shall be conducted on a competitive bid basis, each Authorized Officer is hereby further authorized to conduct the sale and award of the Refunding Obligations on the basis of a competitive bid, pursuant to the terms of a notice of sale, including bid form (the "Notice of Sale"), in a form, including any limitations on permitted bidders and a description of the basis for determining the winning bidder or bidders, determined by such Authorized Officer. Each Authorized Officer is hereby authorized to conduct such competitive sale of the Refunding Obligations in a manner consistent with this Supplemental Resolution and to utilize the services of the Authority's financial advisor and the services of an electronic bidding service, as such Authorized Officer shall determine, and the execution by such Authorized Officer of a letter of award shall be conclusive evidence of such award.

Each Authorized Officer is hereby authorized to make public and to authorize the use and distribution by said purchasers or other appropriate parties of a preliminary official statement, offering circular, or other disclosure document (the "Preliminary Official Statement") in connection with each public offering or any private placement of the Refunding Obligations, in substantially the form most recently executed or delivered by the Issuer in connection with the sale of Obligations, with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Issuer authorizes any of said officers to deliver a certification to the effect that such Preliminary Official Statement or Official Statement, if deemed necessary or appropriate, together with such other documents, if any, described in such certificate, was deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission as applicable.

Each Authorized Officer is hereby authorized to make public and to authorize distribution of a final official statement, offering circular or other disclosure document (the "Official Statement") in substantially the form of each Preliminary Official Statement or the most recently executed and delivered Official Statement if there is not a Preliminary Official Statement, with such changes, omissions, insertions and revisions as such officer shall deem advisable, to sign such Official Statement and to deliver such Official Statement to the purchasers of such issue of the Refunding Obligations, such execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

Each Authorized Officer is hereby authorized to execute and deliver for and on behalf and in the name of the Issuer, to the extent determined by such Authorized Officer to be necessary or convenient, a Continuing Disclosure Agreement, substantially in the form of the Continuing Disclosure Agreement most recently executed and delivered by the Issuer, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable (the "Continuing Disclosure Agreement"), said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

The proceeds of each good faith check, if any, received by the Issuer from the purchasers of each issue of Refunding Obligations under the terms of the related Purchase Agreement or Notice of Sale may be invested by the Issuer pending application of the proceeds of such good faith check for the purposes provided in Section 2.02 of this Supplemental Resolution at the time of the issuance and delivery of such Refunding Obligations.

Each Authorized Officer (including any Assistant Secretary of the Issuer) is hereby authorized and directed to execute, deliver, amend, replace or terminate any and all documents and instruments (including any remarketing agreements, dealer agreements, broker-dealer agreements, tender agent agreements, or auction agency agreements, any escrow agreements, any investment agreements or arrangements, or any reimbursement agreements or documents or instruments relating to a Credit Facility deemed appropriate to a given form or mode of an Obligation) and to do and cause to be done any and all acts necessary or proper for carrying out each Purchase Agreement or Notice of Sale, each Continuing Disclosure Agreement, the terms of any Credit Facility or other such agreement or arrangement, and the issuance, sale and delivery of each issue of the Refunding Obligations and for implementing the terms of each issue of the Refunding Obligations and the transactions contemplated hereby or thereby.

When reference is made in this Supplemental Resolution to the authorization of an Authorized Officer to do any act, such act may be accomplished by any of such officers individually.

**Section 2.11. Forms of Refunding Obligations and Trustee's Authentication Certificate.** Subject to the provisions of the Resolution, the form of registered Refunding Obligations, and the Trustee's certificate of authentication, shall be substantially in the form set forth in Exhibit One to the Resolution including, if necessary, any changes to comply with the requirements of DTC or the provisions of this Supplemental Resolution or any Certificate of Determination.

**Section 2.12. Appointment of Trustee and Paying Agent.** Unless otherwise provided by Certificate of Determination, The Bank of New York Mellon, as successor in interest to JPMorgan Chase Bank, N.A. shall be the Trustee under the Resolution and the Paying Agent for the Refunding Obligations.

### ARTICLE III

#### DISPOSITION OF REFUNDING OBLIGATION PROCEEDS

**Section 3.01. Disposition of Refunding Obligation Proceeds.** Any proceeds of the sale of the Refunding Obligations, other than accrued interest and capitalized interest, if any, shall be deposited, simultaneously with the issuance and delivery of a series or subseries of the Refunding Obligations, or shall otherwise be disposed of or applied pursuant to the related Certificate of Determination as follows:

(a) such proceeds shall be (i) deposited in the Refunding Obligations Proceeds Account, which is hereby established in the Proceeds Fund for each such series or subseries, and applied to the refunding of any Series 2020 Notes or Series 2020 Bonds, or portions of any of them, in accordance with Section 2.02 hereof or (ii) otherwise applied to such refunding; and

(b) the balance of such proceeds shall be (i) deposited in the Refunding Obligations Costs of Issuance Account, which is hereby established in the Proceeds Fund for each such series or subseries, and applied to the payment of Costs of Issuance, or (ii) otherwise applied to the payment of Costs of Issuance.

Unless otherwise provided in a Certificate of Determination, the accrued interest and capitalized interest, if any, received on the sale of the Refunding Obligations shall be deposited in the Debt Service Fund.

## ARTICLE IV

### TAX COVENANTS AND DEFEASANCE

**Section 4.01. Tax Covenants Relating to the Refunding Obligations.** The Issuer covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Refunding Obligations issued as Tax-Exempt Obligations, the Issuer will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, the Issuer agrees to comply with such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, the Issuer agrees to continually comply with the provisions of any “Arbitrage and Use of Proceeds Certificate” or “Tax Certificate” to be executed by the Issuer in connection with the execution and delivery of any Refunding Obligations issued as Tax-Exempt Obligations, as amended from time to time.

Notwithstanding any other provision of the Resolution to the contrary, upon the Issuer’s failure to observe, or refusal to comply with, the above covenant (a) the Owners of the Refunding Obligations, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Owners or the Trustee under Section C-402 of the Resolution, and (b) neither the Owners of the Obligations of any Series or holders of any Parity Debt (other than the Owners of the Refunding Obligations or the Trustee acting on their behalf), nor the Trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to the Owners, the Parity Debt holders or the Trustee under the Resolution based upon the Issuer’s failure to observe, or refusal to comply with, the above covenant.

The provisions of the foregoing covenants set forth in this Section shall not apply to any Refunding Obligations, including any subseries thereof, which the Issuer determines pursuant to the applicable Certificate of Determination to issue as Taxable Obligations.

**Section 4.02. Defeasance.** In the event the Issuer shall seek, prior to the maturity or redemption date thereof, to pay or cause to be paid, within the meaning and with the effect expressed in the Resolution, all or less than all Outstanding Refunding Obligations issued as Tax-Exempt Obligations and the provisions of Section 4.01 hereof shall then be of any force or effect, then, notwithstanding the provisions of Article A-IX of the Resolution, the Refunding Obligations issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid shall not be deemed to have been paid within the meaning and with the effect expressed in Section A-901 of the Resolution unless (i) the Issuer has confirmed in writing that the Owners of the Refunding Obligations issued as Tax-Exempt Obligations which the Issuer then seeks to pay or cause to be paid will continue, after such action, to have the benefit of a covenant to the effect of the covenant of the Issuer contained in Section 4.01 hereof or (ii) there shall have been delivered to the Trustee an Opinion of Bond Counsel to the effect that non-compliance thereafter with the applicable provisions of the Code will not affect the then current treatment of interest on the

Refunding Obligations issued as Tax-Exempt Obligations in determining gross income for Federal income tax purposes.

## RESOLUTION

**WHEREAS**, in response to Metropolitan Transportation Authority's ("MTA") severe and unprecedented revenue losses and increased operating costs arising from the COVID-19 pandemic, recent legislation has authorized the MTA to issue up to \$10 billion in total obligations during calendar years 2020, 2021 and 2022 to offset such decreases in revenue (including lost taxes, fees, charges, fares and tolls) or increases in operating costs of MTA agencies, affiliates and subsidiaries (the "**COVID-19 Lost Revenues and Increased Costs**"). MTA intends to finance expenditures relating to such COVID-19 Lost Revenues and Increased Costs, as more fully described in the accompanying staff summary (the "**MTA Project**");

**WHEREAS**, MTA desires to finance the MTA Project through the issuance of tax-exempt debt or tax-advantaged debt, if available, and other sources, including moneys derived from MTA agencies, affiliates and subsidiaries, and expects to reimburse expenditures made from such other sources with proceeds of such tax-exempt or tax-advantaged debt, as permitted under the Internal Revenue Code of 1986, as amended (the "**Code**") and Treasury Regulations thereunder;

### **NOW THEREFORE, BE IT:**

**RESOLVED**, that the statements contained in this Resolution with respect to the reimbursement of the expenditures described in this resolution are intended to be statements of official intent as required by, and in conformance with, the provisions of Treasury Regulation Section 1.150-2(e); and

**RESOLVED**, that the expenditures in connection with the MTA Project to be reimbursed pursuant to this Resolution have been incurred and paid not more than 60 days prior to the date hereof or will be incurred and paid after the date hereof in connection with the MTA Project; and

**RESOLVED**, that the MTA reasonably expects that the maximum principal amount of tax-exempt or tax-advantaged debt (including bonds, commercial paper and bond anticipation notes) to be issued by MTA subsequent to the date hereof to pay MTA Project expenditures in 2020, 2021 and 2022 (whether directly or as a reimbursement) is \$10 billion (plus associated financing costs); and

**RESOLVED**, that this Resolution shall take effect immediately.

November 18, 2020