

**RESOLUTION NO. R2018-11**
**Amending and Restating Resolution No. R2015-17 in connection with remarketing of the Sales Tax and Motor Vehicle Excise Tax Bonds, Series 2015 S-2A and Series 2015 S-2B**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Board	05/24/2018	Final Action	<b>Tracy Butler, Deputy Executive Director Financial Management</b> Jessica Jaeger, Acting Treasurer

**PROPOSED ACTION**

(1) Amends and restates Resolution No. R2015-17 to add a new interest rate mode for the 2015 parity bonds, to consolidate certain terms relating to the conversion and remarketing of the 2015 parity bonds in Appendix A, to make certain other changes related thereto, effective subject to the conditions of the Parity Bond Master Resolution, and (2) authorizes related budget amendments and payment of expenses in an amount not to exceed \$1.875 million for each conversion, effective upon adoption of the Resolution.

**KEY FEATURES SUMMARY**

- This resolution does not authorize the issuance of new bonds.
- Effective upon adoption of the Resolution, amends budget authority and authorizes the payment of expenses payable in connection with the current and each future conversion or remarketing of the 2015 Variable Rate Parity Bonds, each in an amount not to exceed 1.25 percent of the par amount of the bonds, which is \$1.875 million.
- Subject to the conditions of the Parity Bond Master Resolution, the amendment actions add flexibility and options to accommodate market conditions:
  - Adds a new interest rate mode - a short-term fixed interest rate mode
  - Maximum Rate and Delayed Remarketing Rate have been amended so that the rate is determined at the time of each conversion or remarketing rather than a set amount.
  - Par Call Date (the date that begins the conversion period) will now be determined at the time of each conversion rather than fixed at six months, if applicable.
- The updated resolution more clearly states the ability for the designated authority representative to change the mode of the 2015 Variable Rate Parity Bonds and make mechanical and technical amendments to the appendix.

**BACKGROUND**

Sound Transit issued the 2015 Variable Rate Parity Bonds in September of 2015 with a par value of \$150 million. The 2015 Variable Rate Parity Bonds were issued as multi-modal bonds allowing the agency to convert them to different interest rate modes (the method the bonds' interest is calculated on and when it is paid) to manage variable rate exposure. Generally, multi-model bonds are converted every three to seven years and given the option to change the interest rate mode. At each conversion, Sound Transit is permitted to select the new interest rate mode and when the next conversion will occur, within the parameters of Appendix A of the resolution.

The 2015 Variable Rate Parity Bonds were initially issued in the index floating rate mode. At the

time of issuance, it was provided that this mode would be in effect for three years (until November 1, 2018) with the option to convert and remarket the bonds to a new interest rate mode beginning May 1, 2015, and ending November 1, 2018. The current planned closing date to convert and remarket the bonds is June 28, 2018.

In addition to making certain typographic or clarifying corrections, these amendments to Resolution No. R2015-17 will add a new interest rate mode option to provide additional flexibility for the agency going forward. The new mode added is the adjustable term rate and allows for interest on the bonds to be set at a fixed rate for a period of at least 12 months.

A conversion of the interest rate mode and/or the remarketing of the bonds requires the engagement of third party services which may include but are not limited to banking/underwriting, legal counsel, financial advisory, and/or rating agency services. Accordingly, each conversion will usually incur fees in order to affect the conversion and/or remarketing.

This resolution will also add budget amendment and payment authority for the expenses related to the conversion and remarketing the 2015 Variable Rate Parity Bonds both now and in the future. The budget amendment authority is capped at 1.25 percent of the par value of the 2015 Variable Rate Parity Bonds, which is \$1.875 million. For the 2018 conversion, the necessary fees are not expected to exceed \$500,000. The amendment also requires Sound Transit to follow the competitive proposals procedures required in Resolution No. 78-2, when applicable, before any budget amendment for the necessary fees may occur.

The budget amendment of this resolution shall take effect immediately upon its adoption. The remaining provisions of this resolution shall take effect subject to the conditions of Section 16(a)(x) of the Parity Bond Master Resolution.

RBC Capital Markets is the Underwriter, Piper Jaffray is the Financial Advisor, Orrick, Herrington & Sutcliffe LLP is the Bond Counsel, Foster Pepper is the Disclosure Counsel, and Pacifica Law Group is the Underwriter's Counsel for the 2018 conversion. All the service providers involved in this transaction were selected through previous competitive procurement process.

## FISCAL INFORMATION

This action provides authority to amend budgets to include expenses payable in connection with the conversion of the 2015 Variable Rate Parity Bonds, including the 2018 Conversion of the Series 2015 Variable Rate Parity Bonds and each subsequent conversion, in order to maintain flexibility with the timing of the expenses and the timing of future conversion. This is consistent with other resolutions regarding issuance of debt and the assumptions in the agency financial plan. The resolution is amended to authorize budget amendment authority up to 1.25 percent of the par amount of the bonds or \$1.875 million to pay the expenses related to each conversion of the 2015 Variable Rate Parity Bonds. For the 2018 conversion of the 2015 Variable Rate Parity Bonds, the expenses are expected to be approximately \$500,000.

Consistent with Sound Transit's Debt Management Policy and practice, staff thoroughly evaluates all options before any financing transaction to ensure the financing instrument used can meet the Sound Transit's Asset Liability Management goals.

No new money will be generated as a result of this resolution.

## SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

## PUBLIC INVOLVEMENT

Not applicable to this action.

## TIME CONSTRAINTS

The 2015 Variable Rate Parity Bonds are subject to redemption at the option of Sound Transit on any date on or after May 1, 2018, until November 1, 2018, after which the 2015 Variable Rate Bonds will be subject to mandatory tender or bear interest at the Delayed Remarketing Rate (currently 9 percent). If the Board does not approve the resolution at this time, Sound Transit could potentially lose the window of opportunity to capitalize on the currently attractive market environment and not be able to use interest rate modes included in this amendment that could be beneficial to Sound Transit. Given the attractive market conditions, staff plans to remarket the 2015 Variable Rate Parity Bonds in June 2018.

## PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2016-36: Authorized the issuance of Sales Tax and Motor Vehicle Excise Tax Bonds, in one or more series, to evidence the payment obligations of the Authority pursuant to a TIFIA Master Credit Agreement between the Authority and the United States Department of Transportation; approving the execution of the TIFIA Master Credit Agreement and related TIFIA Loan Agreements; approved the loans; fixed certain terms of the bonds; provided for the delivery of the bonds to the United States Department of Transportation; authorized amendments to the TIFIA East Link Loan Agreement; and provided for other matter properly relating thereto.

Resolution No. R2016-35: Restated Master Resolution No. R2012-14, as amended by Resolution Nos. R2015-15 and R2016-33; authorized Sales Tax and Motor Vehicle Excise Tax Bonds of the Authority to be issued in one or more series to finance a portion of the Authority's Regional Transit System Plan.

Resolution No. R2016-33: Subject to certification of voter approval, designated Sound Transit Three Sales and Use and Motor Vehicle Excise Taxes as Adopted Prior Rate Adjustments, including such taxes as Local Option Taxes and pledging such taxes to the payment of Prior Bonds; amended Resolution No. R2012-14, as amended by Resolution No. R2015-15; and provided an effective date.

Resolution No. 2016-32: Authorized the issuance of Sales Tax and Motor Vehicle Excise Tax Bonds of one or more series to pay, or to reimburse the Authority for the payment of, costs of improvements to the Authority's high-capacity transportation facilities; specified parameters for approving the terms of the bonds of each series; pledged existing Motor Vehicle Excise Taxes to the payment of Parity Bonds and Junior Obligations; subject to certification of voter approval, designated Sound Transit Three Sales and Use and Motor Vehicle Excise Taxes as adopted Parity Rate Adjustments, including such taxes as pledged taxes and pledging such taxes to the payment of Parity Bonds and Junior Obligations; amended Resolution R2015-16; delegated to the Designated Authority Representative Authority to negotiate and approve the final terms of the Bonds and the amount of any debt service reserve requirement; approved and delegated to the Designated Authority Representative Authority to negotiate and approve the final terms of one or more Bond Purchase Agreements, disclosure documents, and other documents relating to the Authority and to the issuance and sale of the Bonds; authorized the establishment of certain

accounts authorizing budget amendments; and provided an effective date.

Resolution No. R2016-24: Restated as a Parity Bond Master Resolution, Resolution No. R2015-16, as amended by Resolution No. R2016-32; provided for the issuance from time to time pursuant to series resolutions of future Parity Bonds of the Authority to finance or refinance portions of the Authority's Regional Transit System; provided for the payment of such Parity Bonds; and provided an effective date.

Resolution No. R2015-17: Authorized the issuance of Sales Tax Refunding Bonds of one or more series to refund all or a portion of the Authority's outstanding sales tax bonds, Series 2007A; authorized the issuance, separately or together with the Refunding Sales Tax Bonds, of Sales Tax Bonds in one or more series to pay, or to reimburse the Authority for the payment of, costs of improvements to the Authority's high capacity transportation facilities; approved parameters for the terms of the bonds of each series; delegated to the designated Authority representative authority to negotiate and approve the final terms of the bonds and the amount of any debt service reserve requirement; approved, and delegated to the designated Authority representative authority to negotiate and approve the final terms of, one or more bond purchase agreements, disclosure documents and other documents relating to the Authority and to the issuance and sale of the bonds; amended the Authority's 2015 budget approved in Resolution No. R2014-36; amended Section 1a of Resolution No. R2014-35, to provide for payment of debt service on the bonds; and provided an effective date.

Resolution No. R2015-16: Restated as a Parity Bond Master Resolution, Resolution No. R2012-16, as amended by Resolution No. R2015-13; provided for the issuance from time to time pursuant to series resolutions of future Parity Bonds of the Authority to finance or refinance portions of the Authority's regional transit system; provided for the payment of such Parity Bonds; and provided an effective date.

Resolution No. R2015-15: Amended and clarified certain provisions contained in Resolution no. R2012-14, the master prior bond resolution that authorizes and provides for the payment of the Authority's Sales Tax and motor vehicle excise tax Bonds; provided for notices and other matters properly relating to such amendments; and provided effective dates for the amendments and for this resolution.

Resolution No. R2015-14: Clarified certain provisions contained in Resolution No. R2014-30, adopted by the Board on November 20, 2014 to authorize the issuance of the authority's sales tax bond, Series 2014T-1 (East Link Project: TIFIA-2014-1007A), to evidence the payment obligations of the authority pursuant to a TIFIA loan agreement between the authority and the United States Department of Transportation; authorized the execution and delivery of a first supplement to the TIFIA loan agreement to clarify certain provisions of the TIFIA loan agreement; provided for notices and other matters properly relating thereto; and provided an effective date.

Resolution No. R2015-13: Amended and clarified certain provisions contained in resolutions that authorized and provided for the payment of the Authority's Sales Tax Bonds, including Resolution No. R2007-22, relating to the Authority's Series 2007A Parity Bonds; Resolution No. R2009-16, relating to the Authority's Series 2009 Parity Bonds; and Resolution No. R2012-16, relating to the Authority's Series 2012 Parity Bonds; and provided for notices and other matters properly relating to such amendments; and provided effective dates for the amendments and for this resolution.

Resolution No. R2014-30: Authorized the issuance of the TIFIA Bond and the execution and delivery of the TIFIA Loan Agreement providing for a loan to Sound Transit of not exceeding \$1,330,000,000 (excluding capitalized interest) to finance costs of Sound Transit's East Link Project.

Motion No. M2013-83: Authorized the chief executive officer to execute a five-year contract with Montague DeRose & Associates, LLC and Piper Jaffray & Co. (formerly Seattle-Northwest Securities) to provide debt management and innovative financing advisory services for a total authorized contract amount not to exceed the aggregate total amount of \$959,000.

Resolution No. R2012-16: Authorized the issuance of sales tax bonds to refund and to provide for the redemption on May 1, 2015 of a portion of the 2005A Bonds; fixing certain provisions and covenants of the 2012 Parity Bonds, including provisions safeguarding the payment of the principal of and interest thereon; and authorizing and directing the sale of such bonds.

Resolution No. R2012-15: Authorized the issuance of sales tax and motor vehicle excise tax bonds of Sound Transit to refund (refinance) and to provide for the redemption on May 1, 2015 of a portion of the 2005A Bonds; fixing certain provisions and covenants of the 2012 Prior Bonds, including provisions safeguarding the payment of the principal of and interest thereon; and authorizing and directing the sale of such bonds.

Resolution No. R2012-14: Amended and restated Resolution No. R2009-15 as the Master Prior Bond Resolution.

Resolution Nos. R2009-15 and R2009-17: Amended and restated Master Resolution No. R98-47 authorizing sales tax and motor vehicle excise tax bonds of Sound Transit to finance a portion of Sound Transit's regional transit system plan; fixing certain provisions and covenants of the bonds, including provisions safeguarding the payment of the principal of and interest thereon; and authorizing and directing the sale of such bonds.

Resolution Nos. R2007-22 and R2007-27: Authorized the issuance of Sound Transit's 2007A sales tax bonds to finance a portion of Sound Transit's regional transit system plan; fixing certain provisions and covenants of the bonds, including provisions safeguarding the payment of the principal of and interest thereon; and authorizing and directing the sale of such bonds.

Resolution No. R99-4: Amended Resolution Nos. R98-47 and R98-48, which authorized the issuance of sales tax and motor vehicle excise tax bonds, to clarify certain provisions of such resolutions and to assure the highest available ratings on the bonds.

## ENVIRONMENTAL REVIEW

KH 5/21/2018

## LEGAL REVIEW

The Sound Transit Legal Department, Sound Transit's Bond Counsel (Orrick, Herrington & Sutcliffe LLP), Sound Transit's Disclosure Counsel (Foster Pepper PLLC) and counsel to the Underwriters (Pacifica Law Group) will have authored and/or reviewed all bond-related documents.

Desmond L. Brown  
Sound Transit General Counsel  
May 21, 2018



**SOUND TRANSIT**

**RESOLUTION NO. R2018-11**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY AMENDING AND RESTATING RESOLUTION NO. R2015-17 TO ADD A NEW INTEREST RATE MODE FOR THE 2015 PARITY BONDS, TO CONSOLIDATE CERTAIN TERMS RELATING TO THE CONVERSION AND REMARKETING OF THE 2015 PARITY BONDS IN APPENDIX A, TO MAKE CERTAIN OTHER CHANGES RELATED THERETO, EFFECTIVE SUBJECT TO THE CONDITIONS OF THE PARITY BOND MASTER RESOLUTION, AND TO AUTHORIZE RELATED BUDGET AMENDMENTS AND PAYMENT OF EXPENSES IN AN AMOUNT NOT TO EXCEED \$1.875 MILLION FOR EACH CONVERSION.

ADOPTED May 24, 2018

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ADOPTED \_\_\_\_\_, 2018

WHEREAS, The Central Puget Sound Regional Transit Authority (the "Authority") has authorized the issuance of sales tax bonds (the "Parity Bonds") in one or more series by certain resolutions adopted by the Board of Directors of the Authority (the "Board") from time to time, including Resolution No. R2012-16, adopted by the Board on June 28, 2012, as amended by Resolution No. 2015-13, adopted by the Board on July 23, 2015, as amended and restated by Resolution No. R2015-16, adopted by the Board on July 23, 2015, as amended by Resolution No. R2016-32, adopted by the Board on November 29, 2016, and as amended and restated by Resolution No. R2016-34, adopted by the Board on November 29, 2016 (Resolution No. R2012-16 as so amended and restated, the "Parity Bond Master Resolution"), to finance and refinance improvements for the purpose of providing high capacity transportation service; and

WHEREAS, the issuance of Parity Bonds of each series must be permitted under the Parity Bond Master Resolution and be issued pursuant to a Series Resolution (as defined in the Parity Bond Master Resolution) that specifies certain terms of and conditions relating to the sale of such Parity Bonds; and

WHEREAS, the Board adopted Resolution No. R2015-17 on July 23, 2015 (the "2015 Parity Bond Series Resolution") authorizing the issuance of the 2015 Parity Bonds (as defined herein) and providing for certain terms of the 2015 Parity Bonds and conditions relating to the sale thereof;

WHEREAS, the 2015 Parity Bonds were issued initially as Index Floating Rate Bonds and will be remarketed on June 28, 2018 (the "2018 Remarketing");

WHEREAS, Section 16(a)(x) of the Parity Bond Master Resolution permits the adoption by the Board of a Series Resolution (as defined in Parity Bond Master Resolution) without the consent or concurrence of any Owner (as defined in the Parity Bond Master Resolution) to modify the provisions of a Series Resolution in a way that does not materially and adversely affect the security for the payment of the Prior Bonds (as defined in the Parity Bond Master Resolution) or any Parity Bonds (as defined in the Parity Bond Master Resolution) and will not cause any Rating Agency (as defined in the Parity Bond Master Resolution) to lower a rating on any Parity Bonds;

WHEREAS, Section 9(4) of Appendix A to the 2015 Parity Bond Series Resolution permits the Designated Authority Representative to amend any one or more provisions of Appendix A to the 2015 Parity Bond Series Resolution;

WHEREAS, the Board has determined to amend and restate the 2015 Parity Bonds Series Resolution by (a) adding the Adjustable Term Rate as a new variable rate mode to provide additional financial flexibility for the Authority and (b) to consolidate certain terms relating to the conversion and remarketing of the 2015 Parity Bonds in Appendix A to the 2015 Parity Bond Series Resolution, as amended and restated by this Resolution No. R2018-11;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Central Puget Sound Regional Transit Authority:

**Section 1. Definitions.** Unless the context otherwise requires, the meanings of all capitalized terms used and not otherwise defined in this Series Resolution (including in the Recitals and Appendix A) shall be as set forth in the Parity Bond Master Resolution or in the Master Prior Bond Resolution, and unless the context otherwise requires, the following terms shall have the following meanings in this Series Resolution; provided, however, that any terms used herein relating to the 2015 Variable Rate Parity Bonds that are not expressly defined below shall have the meanings set forth in Appendix A attached hereto, as such Appendix may be amended from time to time in accordance with the provisions of Section 9 thereof:

“Authorized Denomination” means (a) \$5,000 or any integral multiple of \$5,000 in the case of 2015 Parity Bonds of a Series that bear interest at fixed interest rates, and 2015 Variable Rate Parity Bonds of a Series that bear interest at Fixed Rates, Long-Term Rates, Adjustable Term Rates or Index Floating Rates; (b) \$100,000 or any integral multiple of \$5,000 in excess thereof in the case of 2015 Parity Bonds of a Series that bear interest at Daily Rates or Weekly Rates; and (c) \$100,000 or any integral multiple of \$1,000 in excess thereof in the case of 2015 Parity Bonds of a Series that bear interest at Short-Term Rates.

“Bond Purchase Contract” has the meaning set forth in Section 10(b).

“Business Day” means (a) a day other than a day on which banks in Seattle, Washington, or New York, New York or the Bond Registrar (or its subcontractor) is closed; or (b) in the case of 2015 Variable Rate Parity Bonds, a day other than a day on which the Bond Registrar, the Remarketing Agent or the office of the Credit Facility Provider, if any, or the Liquidity Facility Provider, if any, where draws with respect to 2015 Variable Rate Parity Bonds are to be presented, are closed and other than a day on which the New York Stock Exchange is closed.

“Calculation Agent” means the Bond Registrar or such other calculation agent appointed by the Designated Authority Representative.

“Closing Date” means for the 2015 Parity Bonds of each Series, the date of delivery of the 2015 Parity Bonds of such Series to the Underwriters thereof.

“Continuing Disclosure Certificate” means the Authority’s Continuing Disclosure Certificate dated the Closing Date, in the form approved by the Designated Authority Representative, as originally executed and as it may be amended in accordance with the terms thereof.

“Designated Authority Representative” means, for purposes of this Series Resolution (including Appendix A), the Chief Financial Officer (including any Interim Chief Financial Officer) or in his or her absence, the Chief Executive Officer or such other person as may be designated by resolution of the Board.

“Electronic Notice” means telecopy transmission or similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

“Escrow Agent” means the trustee or escrow agent or any successor trustee or escrow agent serving as refunding trustee to carry out the Refunding Plan.

“Escrow Agreement” means an escrow agreement between the Authority and the Escrow Agent.

“Letter of Representations” means the Blanket Issuer Letter of Representations with DTC dated December 9, 1998, setting forth certain understandings of the Authority with respect to DTC’s services, as it may be amended from time to time.

“Maximum Rate” means an amount not to exceed 12 percent per annum as specified in the applicable Delivery Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Opinion of Bond Counsel” means an opinion of nationally recognized bond counsel acceptable to the Authority and the Bond Registrar.

“Record Date” for the 2015 Parity Bonds means the 15<sup>th</sup> day of the month immediately preceding an Interest Payment Date, regardless of whether the 15<sup>th</sup> day is a Business Day; except that for 2015 Variable Rate Parity Bonds that bear interest at Index Floating Rates, Short-Term Rates, Daily Rates or Weekly Rates, “Record Date” means the Business Day immediately preceding an Interest Payment Date.

“Refunded Bonds” means all or a portion of the Refunding Candidates designated by the Designated Authority Representative to be refunded with proceeds of the 2015 Parity Refunding Bonds.

“Refunding Candidates” means \$397,955,000 aggregate principal amount of the Outstanding 2007A Parity Bonds maturing on or after November 1, 2018.

“Refunding Plan” means:

- (1) The issuance of the 2015 Parity Refunding Bonds and the deposit with the Escrow Agent appointed by the Designated Authority Representative of proceeds of the 2015 Parity Refunding Bonds, together with other money of the Authority allocated to the Refunding Plan, which amounts may be used to acquire the Defeasance Obligations; and
- (2) The application of such money and/or Defeasance Obligations (a) to the payment of the interest on the Refunded Bonds when due up to May 1, 2017; and (b) to the redemption of the Refunded Bonds on November 1, 2017, at a redemption price

equal to 100 percent of the principal amount thereof, plus interest accrued thereon to November 1, 2017, the date fixed for redemption, and without premium.

“Remarketing Agent” means the remarketing agent or agents appointed with respect to the 2015 Variable Rate Parity Bonds, all as set forth in Appendix A.

“Tax-Exempt 2015 Parity Bonds” means the 2015 Parity Bonds that are Tax-Exempt Parity Bonds.

“2015 Parity Bond Resolutions” means, together, the Parity Bond Master Resolution and this Series Resolution.

“2015 Parity Bonds” means the 2015 Parity Improvement Bonds and the 2015 Parity Refunding Bonds.

“2015 Parity Improvement Bonds” means The Central Puget Sound Regional Transit Authority Sales Tax and Motor Vehicle Excise Tax Bonds authorized pursuant to the 2015 Parity Bond Resolutions to be issued separately or together with 2015 Parity Refunding Bonds in one or more Series to pay, or to reimburse the Authority for the payment of, a portion of the costs of acquiring and constructing improvements to the Authority’s high-capacity transportation facilities.

“2015 Parity Refunding Bonds” means The Central Puget Sound Regional Transit Authority Sales Tax Refunding Bonds authorized pursuant to the 2015 Parity Bond Resolutions to be issued in one or more series, separately or together with 2015 Parity Improvement Bonds, to refund all or a portion of the Outstanding Refunding Candidates.

“2015 Project Account” means the account of the Authority designated as the “2015 Project Account” established pursuant to Section 13(b) of this Series Resolution within the Project Fund.

“2015 Refunding Parity Bond Proceeds Account” means the account of the Authority designated as the “2015 Refunding Parity Bond Proceeds Account” established pursuant to Section 13(a) of this Series Resolution.

“2015 Term Parity Bonds” means the 2015 Parity Bonds that are Term Parity Bonds.

“2015 Variable Rate Parity Bonds” means the Variable Rate Parity Bonds authorized pursuant to this Series Resolution.

“Underwriters” means the Underwriters named in Section 10(b) of this Series Resolution.

**Section 2. Compliance with Future Parity Bonds Conditions.** (a) As required by Section 7 of the Parity Bond Master Resolution (and in addition to any conditions that might be required pursuant to the TIFIA Loan Agreement), the Authority finds as follows:

- (1) The 2015 Parity Refunding Bonds of each Series will be issued for the purpose of refunding outstanding Parity Bonds of the Authority resulting in debt service savings.
- (2) At the time of issuance of the 2015 Parity Refunding Bonds of each Series there will be no deficiency in the Parity Bond Account, and if the 2015 Parity Refunding

Bonds of one or more Series will be Covered Parity Bonds, the Authority shall deposit the amount of such Parity Reserve Account Requirement or otherwise provide for such Parity Reserve Account Requirement on or prior to the date of issuance of such Covered Parity Bonds, in accordance with Section 9(b) of the Parity Bond Master Resolution.

- (3) In the case of 2015 Parity Refunding Bonds of one or more Series that are not Covered Bonds, the Authority shall deposit or otherwise provide for the amount of such Parity Reserve Account Requirement for the 2015 Parity Refunding Bonds of such Series in accordance with Section 9(c) of the Parity Bond Master Resolution.
- (4) No Default has occurred and is continuing.
- (5) The Designated Authority Representative will certify that Annual Parity Bond Debt Service on the 2015 Parity Refunding Bonds of each Series in any Fiscal Year will not exceed Annual Parity Bond Debt Service by more than \$5,000 on the Refunded Bonds to be refunded, or if the Designated Authority Representative cannot certify to such information, an Authority Parity Bond Certificate will be delivered on or prior to the Closing Date of the 2015 Parity Refunding Bonds.

(b) As required by Section 6 of the Parity Bond Master Resolution (and in addition to any conditions that might be required pursuant to the TIFIA Loan Agreement), the Authority finds as follows:

- (1) At the time of issuance of the 2015 Parity Improvement Bonds of each Series there will be no deficiency in the Parity Bond Account.
- (2) If 2015 Parity Improvement Bonds of one or more Series will be Covered Parity Bonds with a Parity Reserve Account Requirement greater than zero, an amount equal to the Parity Reserve Account Requirement (including for any 2015 Parity Improvement Bonds to be issued as Covered Parity Bonds) shall be on deposit or otherwise shall be provided for in the Parity Reserve Account on or prior to the date of issuance of such Covered Parity Bonds.
- (3) If 2015 Parity Improvement Bonds of a Series will not be Covered Parity Bonds and if the Parity Reserve Account Requirement or any alternate reserve requirement for such 2015 Parity Improvement Bonds is more than zero, the Authority shall deposit an amount equal to any Parity Reserve Account Requirement or other reserve requirement for the 2015 Parity Improvement Bonds of such Series, if necessary.
- (4) No Default has occurred and is continuing.
- (5) An Authority Parity Bond Certificate will be delivered upon the issuance of the 2015 Parity Improvement Bonds of each Series, stating that:
  - (i) **Prior Bonds Coverage Test.** Local Option Taxes received during the Base Parity Period were not less than 1.5 times Maximum Annual Prior Bond Debt Service on all Prior Bonds that will be outstanding upon the issuance of the 2015 Parity Improvement Bonds (the "Prior Bonds Coverage Requirement"); and

- (ii) **Parity Bond Coverage Test for Period While Motor Vehicle Tax Not Included as Pledged Taxes.** Pledged Taxes received during the Base Parity Period minus any Pledged Taxes necessary to be taken into account to meet the Prior Bonds Coverage Requirement (and after all the Motor Vehicle Tax has been applied for that purpose) were not less than 1.5 times Maximum Annual Parity Bond Debt Service during the period that the Motor Vehicle Tax will not be included as Pledged Taxes to secure the 2015 Parity Improvement Bonds; and
- (iii) **Parity Bond Coverage Test for Period While Motor Vehicle Tax and/or Additional Taxes Are Included as Pledged Taxes.** Pledged Taxes received during the Base Parity Period minus any Pledged Taxes necessary to be taken into account to meet the Prior Bonds Coverage Requirement, were not less than 1.5 times Maximum Annual Parity Bond Debt Service during the period that the Motor Vehicle Tax and/or Additional Taxes will be included as Pledged Taxes to secure the 2015 Parity Improvement Bonds.

**Section 3. Authorization and Description of 2015 Parity Bonds.** (a) For the purposes of refunding all or a portion of the Refunding Candidates, making a deposit if necessary to the Parity Reserve Account or to an alternate reserve account and paying costs of issuing the 2015 Parity Refunding Bonds and effecting the Refunding Plan, the Authority is authorized to borrow money on the credit of the Authority and to issue the 2015 Parity Refunding Bonds in an aggregate principal amount not to exceed \$400,000,000. The 2015 Parity Refunding Bonds may be issued as one or more separate Series and/or may be combined with fixed-rate 2015 Parity Improvement Bonds. The 2015 Parity Refunding Bonds shall be Tax-Exempt Parity Bonds; shall be issued as fixed-rate Parity Bonds in Authorized Denominations; shall be dated the Closing Date; and shall bear interest from their date until the 2015 Parity Refunding Bonds bearing such interest have been paid or their payment has been duly provided for, payable semiannually on each Interest Payment Date. The 2015 Parity Refunding Bonds shall mature on November 1 in the years and amounts and shall bear interest at the rates per annum as shall be determined pursuant to Section 10 hereof.

Interest on the 2015 Parity Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Any amount received as original issue premium on the 2015 Parity Refunding Bonds may be disregarded in determining the principal amount of 2015 Parity Refunding Bonds issued within the authorization of this Series Resolution.

(b) For the purposes of paying, or reimbursing the Authority for the payment of, a portion of the costs of acquiring high-capacity transportation facilities, making any deposit, if necessary, to the Parity Reserve Account or to any alternate reserve account, paying interest on the 2015 Parity Improvement Bonds during construction and paying costs of issuing the 2015 Parity Bonds, the Authority is authorized to borrow money on the credit of the Authority and to issue the 2015 Parity Improvement Bonds in an aggregate principal amount that together with the aggregate principal amount of 2015 Parity Refunding Bonds being issued, does not exceed \$1.0 billion (\$1,000,000,000). The 2015 Parity Improvement Bonds that are not 2015 Variable Rate Parity Bonds may be issued in one or more separate Series and/or may be combined with 2015 Parity Refunding Bonds, and 2015 Parity Improvement Bonds issued as 2015 Variable Rate Parity Bonds shall be issued as one or more separate Series, all as determined by the Designated

Authority Representative. Unless otherwise determined by the Designated Authority Representative, the 2015 Parity Improvement Bonds shall be Tax-Exempt Parity Bonds, and unless otherwise determined by the Designated Authority Representative, a portion of the 2015 Parity Improvement Bonds shall be issued initially as 2015 Variable Rate Parity Bonds bearing interest at Index Floating Rates (not to exceed 12 percent per annum), subject to conversion as provided in Appendix A. The 2015 Parity Improvements Bonds not issued as 2015 Variable Rate Parity Bonds and issued as a separate Series shall be issued as fixed-rate Parity Bonds in Authorized Denominations; shall be dated the Closing Date; and shall bear interest from their date until the 2015 Parity Improvement Bonds bearing such interest have been paid or their payment has been duly provided for, payable semiannually on each Interest Payment Date. The 2015 Parity Improvement Bonds of each Series shall be dated the Closing Date and shall mature on November 1 in the years and amounts determined pursuant to Section 10 of this Series Resolution.

Interest on the 2015 Parity Improvement Bonds not issued as 2015 Variable Rate Parity Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2015 Parity Improvement Bonds issued as 2015 Variable Rate Parity Bonds shall be calculated on the basis of (a) with respect to Daily Rate Bonds, Weekly Rate Bonds and Short-Term Bonds, a 365- or 366-day year, as applicable, for the number of days actually elapsed, (b) with respect to Index Floating Rate Bonds bearing interest as the LIBOR Index Rate, a 360-day year for the actual days elapsed, (c) with respect to Index Floating Rate Bonds bearing interest as the SIFMA Index Rate, a 365-day year for the actual days elapsed, and (d) with respect to Long-Term Rate Bonds, Adjustable Term Rate Bonds and Fixed Rate Bonds, a 360-day year of twelve 30-day months.

Any amount received as original issue premium on the 2015 Parity Improvement Bonds may be disregarded in determining the principal amount of 2015 Parity Improvement Bonds issued within the authorization of this Series Resolution.

(c) The principal amount of the 2015 Parity Bonds, the outstanding 1999 Prior Bonds, the outstanding 2009 Prior Bonds, the Outstanding 2007A Parity Bonds, the Outstanding 2009 Parity Bonds, the Outstanding 2012 Parity Bonds and any other outstanding indebtedness of the Authority payable from taxes and not authorized by the voters shall not exceed 1.5 percent of the value of the taxable property within the boundaries of the Authority determined as of the Closing Date.

(d) In addition to (1) amounts in the Parity Bond Account and in the Additional Taxes Accounts and (2) the Pledged Taxes and amounts in the Local Option Tax Accounts and the Tax Stabilization Subaccount and earnings thereon, to the extent amounts and earnings in the Local Option Tax Accounts and the Tax Stabilization Subaccount represent revenues from Pledged Taxes, to the extent pledged to the payment of the Parity Bonds, including the 2015 Parity Bonds, pursuant to Section 5(d) of the Parity Bond Master Resolution, there are hereby pledged for the payment of the 2015 Parity Bonds proceeds of the 2015 Parity Improvement Bonds deposited in the 2015 Project Account in the Project Fund and in any other account or subaccount established by the Authority to hold proceeds of the 2015 Parity Improvement Bonds; and such pledge is hereby declared to be a charge on the amounts in such accounts, superior to all other charges of any kind or nature.

(e) The 2015 Variable Rate Parity Bonds initially shall bear interest at the Index Floating Rate. The 2015 Variable Rate Parity Bonds of a Series may be converted to a new Index

Floating Rate or to another Interest Rate Mode in accordance with the provisions of this Series Resolution.

**Section 4. Index Floating Rate Bonds.** (a) The Designated Authority Representative shall determine whether the 2015 Variable Rate Bonds shall be issued in more than one Series and whether the initial Index Floating Rate Period for 2015 Variable Rate Bonds of a Series shall be a SIFMA Index Rate Period, determined as provided in Section 4(b)(1) and Appendix A, or a LIBOR Index Rate Period, determined as provided in Section 4(b)(2) and Appendix A. The Calculation Agent shall notify the Authority of the Index Floating Rate for each Index Floating Rate Period in accordance with Subsection 4(b) and Appendix A. All Index Floating Rate Bonds of a Series shall bear interest accruing at the same Index Floating Rate.

(b) (1) The initial SIFMA Index Rate Period, if any, shall commence on and be effective from the Closing Date and shall continue through the end of the Initial Period for the 2015 Variable Rate Parity Bonds of such Series. On a date determined by the Underwriter no earlier than ten calendar days prior to the Closing Date, the Underwriter shall determine the first Conversion Date and the Applicable Spread, which shall not exceed 100 basis points (1.0 percent) unless otherwise approved by the Designate Authority Representative pursuant to Section 10.

(2) The initial LIBOR Index Rate Period, if any, shall commence on and be effective from the Closing Date and shall continue through the end of the Initial Period for the 2015 Variable Rate Parity Bonds of such Series. On a date determined by the Underwriter no earlier than ten calendar days prior to such Closing Date, the Underwriter shall determine the first Conversion Date for the 2015 Variable Rate Parity Bonds of such Series; the Applicable Factor, which shall not exceed 70 percent; and the Applicable Spread, which shall not exceed 100 basis points (1.0 percent), in each case unless otherwise approved by the Designated Authority Representative.

**Section 5. Redemption of 2015 Parity Bonds of Each Series.** Unless otherwise provided in a Bond Purchase Contract approved by the Designated Authority Representative in accordance with Section 10, the 2015 Parity Bonds of each Series will subject to redemption as provided below:

(a) **Optional Redemption.** As provided in Section 10, the Designated Authority Representative may designate all or certain maturities of the 2015 Parity Bonds of each Series as being subject to redemption at the option of the Authority prior to their stated maturity dates, and may specify the dates on and after and the price at which, those designated 2015 Parity Bonds may be redeemed.

(b) **Mandatory Redemption.** The Designated Authority Representative may approve the designation of one or more maturities of the 2015 Parity Bonds of each Series as 2015 Term Parity Bonds and the dates and the principal amounts of 2015 Term Parity Bonds to be redeemed in accordance with mandatory sinking fund redemption schedules for each 2015 Term Parity Bond of such Series.

If the Authority redeems pursuant to optional redemption provisions, purchases for cancellation or defeases 2015 Term Parity Bonds, the principal amount of the 2015 Term Parity Bonds of such Series and maturity so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory

sinking fund redemptions for 2015 Term Parity Bonds of the same Series and maturity as determined by the Designated Authority Representative at that time.

**(c) Partial Redemption.** Portions of the principal amount of any 2015 Parity Bond, in any Authorized Denomination, may be redeemed, provided that 2015 Parity Bonds of such Series and maturity that remain Outstanding will be in Authorized Denominations. If less than all of the principal amount of any 2015 Parity Bond is redeemed, upon surrender of that 2015 Parity Bond to the Bond Registrar, there shall be issued to the Owner, without charge, a new 2015 Parity Bond (or 2015 Parity Bonds, at the option of the Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount remaining unredeemed.

**(d) Selection of 2015 Parity Bonds for Redemption.** If fewer than all of the Outstanding 2015 Parity Bonds within a Series, maturity and interest rate are to be redeemed prior to maturity, 2015 Parity Bonds of such Series, maturity and interest rate shall be selected for redemption by lot within such Series, maturity and interest rate in such manner as the Bond Registrar shall determine. Notwithstanding the foregoing, so long as the 2015 Parity Bonds are registered in the name of DTC or its nominee, selection of 2015 Parity Bonds for redemption within a Series, maturity and interest rate shall be in accordance with the Letter of Representations.

**(e) Notice and Effect of Redemption.** The Authority shall cause notice of any redemption of 2015 Parity Bonds to be given not less than 20 (15 calendar days in the case of 2015 Variable Rate Parity Bonds, and five (5) calendar days in the case of 2015 Variable Rate Parity Bonds during a Delayed Remarketing Period) but not more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid (by Electronic Notice in the case of 2015 Variable Rate Parity Bonds, confirmed by such written notice), to the Owner of any 2015 Parity Bond to be redeemed, at the address appearing on the Bond Register at the time the Bond Registrar prepares the notice, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not notice is actually received by that Owner. Notwithstanding the foregoing, notice of redemption of any 2015 Parity Bonds registered in the name of DTC or its nominee shall be made in accordance with the Letter of Representations.

In addition, the redemption notice shall be mailed by the Bond Registrar within the same period to each of the Rating Agencies, but these additional mailings shall not be a condition precedent to the redemption of 2015 Parity Bonds.

In the case of an optional redemption, the notice may state that the such redemption is conditioned on sufficient money being available for such purpose on the date fixed for redemption, and that the notice and optional redemption shall be of no effect to the extent that sufficient funds are not available if the Authority rescinds the notice of redemption for any reason. Any 2015 Parity Bonds subject to a rescinded notice of redemption shall remain Outstanding, and the rescission shall not constitute a Default.

If notice of redemption has been duly given (and in the case of a conditional notice of optional redemption if sufficient funds are deposited with the Bond Registrar and if such conditional notice is not rescinded), then on the date fixed for redemption each 2015 Parity Bond or portion thereof so called for redemption shall become due and payable at the redemption price specified in such notice. From and after the date fixed for redemption, if money for the payment of the redemption price of any 2015 Parity Bond or portion thereof so called for redemption that becomes payable is held by the Bond Registrar, interest thereon shall cease to accrue and that 2015 Parity Bond or portion thereof shall cease to be Outstanding and to be entitled to any benefit,

protection or security hereunder, and the Owner of such 2015 Parity Bond or portion thereof shall have no rights in respect thereof except to receive payment of the redemption price upon delivery of such 2015 Parity Bond to the Bond Registrar.

**(f) Purchase in the Open Market.** The Authority reserves the right and option to purchase any or all of the 2015 Parity Bonds in the open market at any time at any price acceptable to the Authority, plus accrued interest to the date of purchase.

**(g) 2015 Parity Bonds to be Canceled.** Except as provided in Appendix A for 2015 Variable Rate Parity Bonds, all 2015 Parity Bonds purchased or redeemed under this Section shall be surrendered to the Bond Registrar and canceled.

**Section 6. Reserved.**

**Section 7. Failure to Pay 2015 Parity Bonds.** If any 2015 Parity Bond is not paid when properly presented at its maturity or date fixed for redemption, the Authority shall be obligated to pay interest on that 2015 Parity Bond at the same rate provided in that 2015 Parity Bond from and after its maturity or date fixed for redemption until that 2015 Parity Bond, principal, premium, if any, and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Parity Bond Account.

**Section 8. Form and Execution of 2015 Parity Bonds.** The Designated Authority Representative is authorized to approve the form of the 2015 Parity Bonds of each Series, which shall be prepared in a form consistent with the provisions of the 2015 Parity Bond Resolutions and State law and shall be signed by the Chair of the Board and the Chief Executive Officer, either or both of whose signatures may be manual or in facsimile, and the seal of the Authority or a facsimile reproduction thereof shall be impressed or printed thereon.

Only 2015 Parity Refunding Bonds bearing a Certificate of Authentication generally in the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of the 2015 Parity Bond Resolutions: "Certificate Of Authentication. This Bond is one of the fully registered The Central Puget Sound Regional Transit Authority Sales Tax Refunding [and Improvement] Bonds, Series \_\_\_\_\_, described in the 2015 Parity Bond Series Resolution."

Only 2015 Parity Improvement Bonds bearing a Certificate of Authentication in the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of the 2015 Parity Bond Resolutions: "Certificate Of Authentication. This Bond is one of the fully registered The Central Puget Sound Regional Transit Authority Sales Tax and Motor Vehicle Excise Tax [Refunding and] Improvement Bonds, Series \_\_\_\_\_, described in the 2015 Parity Bond Series Resolution."

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the 2015 Parity Bond of such Series so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of the 2015 Parity Bond Resolutions.

If any officer whose manual or facsimile signature appears on the 2015 Parity Bonds ceases to be an officer of the Authority authorized to sign bonds before the 2015 Parity Bonds bearing his or her manual or facsimile signature are authenticated or delivered by the Bond Registrar or issued by the Authority, those 2015 Parity Bonds nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the

Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. Any 2015 Parity Bond also may be signed on behalf of the Authority by any person who, on the actual date of signing of the 2015 Parity Bond, is an officer of the Authority authorized to sign bonds, although he or she did not hold the required office on the Closing Date of the 2015 Parity Bonds.

**Section 9. Bond Registrar.** The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the 2015 Parity Bonds, which shall be open to inspection by the Authority at all times. The Bond Registrar is authorized, on behalf of the Authority, to authenticate and deliver 2015 Parity Bonds transferred or exchanged in accordance with the provisions of the 2015 Parity Bonds and the 2015 Parity Bond Resolutions, to serve as the Authority's paying agent and/or Calculation Agent for the 2015 Parity Bonds and to carry out all of the Bond Registrar's powers and duties under the Parity Bond Master Resolution and this Series Resolution. The Authority reserves the right in its discretion to appoint special paying agents, tender agents, registrars, or trustees in connection with the payment of some or all of the principal of, premium, if any, or interest on the 2015 Parity Bonds of one or more Series. If a new Bond Registrar is appointed by the Authority (other than the Washington State fiscal agent), notice of the name and address of the new Bond Registrar shall be mailed to the Owners of the 2015 Parity Bonds appearing on the Bond Register at the time the Bond Registrar prepares the notice. The notice may be mailed together with the next interest payment due on the 2015 Parity Bonds, but, to the extent practicable, shall be mailed no later than the Record Date for any principal payment or redemption date of any 2015 Parity Bond.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the 2015 Parity Bonds. The Bond Registrar may become the Owner of 2015 Parity Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of the 2015 Parity Bonds.

This Section and other relevant portions of this Series Resolution and of the Parity Bond Master Resolution shall constitute a "system of registration" as that term is used in RCW 39.46.030.

**Section 10. Terms and Sale of 2015 Parity Bonds; Other Interest Rate Modes of 2015 Variable Rate Bonds.** (a) The Board has determined that it is in the best interest of the Authority to delegate to the Designated Authority Representative pursuant to RCW 39.46.040(2) the authority to determine whether at the time of pricing, the issuance of the 2015 Parity Improvement Bonds is in the best interest of the Authority and whether as provided in Section 16, at the time of pricing the issuance of the 2015 Parity Refunding Bonds is in the best interest of the Authority; to determine the number of Series (and the aggregate principal amounts thereof) and whether the 2015 Parity Bonds of such Series are to bear interest at fixed rates or be issued as 2015 Variable Rate Parity Bonds; to designate all or a portion of the 2015 Parity Bonds as "green bonds;" and to approve the final principal amount, interest rates (or the initial Interest Rate Mode or Modes, the initial Interest Period or Interest Periods and the Applicable Factor(s), Applicable Spread(s) and Alternate Rate(s) in the case of 2015 Variable Rate Parity Bonds), the prices, payment dates, maturity dates, maturity amounts, the Parity Reserve Account Requirement, if any, and redemption provisions of the 2015 Parity Bonds of each Series, the tender provisions in the case of any 2015 Variable Rate Parity Bonds and the minimum savings to be achieved by the Refunding Plan, all in the manner provided herein, provided that:

- (1) The aggregate principal amount of the 2015 Parity Refunding Bonds does not exceed \$400,000,000, and the aggregate principal amount of 2015 Parity Improvement Bonds and 2015 Parity Refunding Bonds together does not exceed \$1,000,000,000;
- (2) One or more rates of interest may be fixed for the 2015 Parity Bonds of each Series, the maximum rate for 2015 Variable Rate Parity Bonds of each Series shall not exceed 12 percent per annum; and no rate of interest for any maturity of the other 2015 Parity Bonds may exceed 5.50 percent per annum;
- (3) The combined true interest cost to the Authority as of the Closing Date for all 2015 Parity Bonds issued under this Series Resolution shall not exceed 5.0 percent; provided, that for purposes of determining the true interest cost of the 2015 Variable Rate Parity Bonds of each Series, the assumed interest rate shall be equal to the initial Index Floating Rate of the 2015 Variable Rate Bonds of such Series determined as if the 2015 Variable Rate Parity Bonds of such Series were to be delivered on the date of pricing;
- (4) The purchase price for the 2015 Parity Bonds may not be less than 98 percent of the aggregate principal amount;
- (5) The 2015 Parity Bonds shall be subject to optional and mandatory redemption provisions (or not), including designation of 2015 Term Parity Bonds, if any, as determined by the Designated Authority Representative.
- (6) There is a minimum net present value savings of 3 percent of the Refunded Bonds calculated by taking into account the overall savings achieved by refunding the Refunded Bonds;
- (7) The 2015 Parity Bonds shall be dated the Closing Date, which date for the issuance and delivery of the 2015 Parity Bonds is not later than February 23, 2016; and
- (8) Principal shall be payable annually on each November 1, and the final maturity shall not be later than November 1, 2055.

In determining the final principal amount of the 2015 Parity Bonds, interest rates, payment dates, maturity dates, the Parity Reserve Account Requirement, if any, and redemption provisions of the 2015 Parity Bonds, and minimum savings to be achieved by the Refunding Plan, the Designated Authority Representative, in consultation with other Authority officials and staff and advisors, shall take into account those factors that, in his or her judgment, will result in the lowest true interest cost on the 2015 Parity Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable to the 2015 Parity Bonds.

(b) The 2015 Parity Bonds shall be sold by negotiated sale to any or all of: J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Goldman, Sachs & Co., RBC Capital Markets, LLC and Wells Fargo Bank, National Association, as determined by the Designated Authority Representative. Subject to the terms and conditions set forth in this Section 10, upon the determination by the Designated Authority Representative that the conditions of this Section 10 have been met, the Designated Authority

Representative is hereby authorized to approve and to execute and deliver on behalf of the Authority a purchase contract or purchase contracts to be presented by the Underwriters (each a "Bond Purchase Contract").

The 2015 Parity Bonds of each Series shall be printed at Authority expense and shall be delivered to or for the account of the Underwriters in accordance with the 2015 Parity Bond Resolutions, with the approving legal opinion of Bond Counsel, regarding the 2015 Parity Bonds of each Series.

(c) The Board has determined further that it also is in the best interest of the Authority to delegate to the Designated Authority Representative the authority to determine whether and when to change the Interest Rate Mode of the 2015 Variable Rate Parity Bonds of one or more Series; to select Interest Rate Modes of the 2015 Variable Rate Parity Bonds of one or more Series; to determine or designate provisions of the 2015 Variable Rate Parity Bonds as provided in Appendix A; to approve and to execute and deliver on behalf of the Authority any Remarketing Agreement or other agreements or closing certificates, including any Delivery Certificates, required in connection with the reissuance or remarketing of the 2015 Variable Rate Parity Bonds to designate at one time or from time to time an Authority Elective Purchase Date for 2015 Variable Rate Parity Bonds of one or more Series; and at any time effective on a Conversion Date or other Purchase Date, amend any one or more provisions of Appendix A hereof, together with any provisions of this 2015 Parity Bond Series Resolution that are necessary to effect changes to revise timing and other mechanical terms of the 2015 Variable Rate Parity Bonds, to reflect then-current market conditions and rating agency requirements, and to clarify ambiguities.

**Section 11. Authorization of Official Statements and Remarketing Circulars.** (a)

The Board authorizes and approves the preparation of one or more preliminary official statements in connection with the offering of the 2015 Parity Bonds pursuant to Section 10 and authorizes the Designated Authority Representative to "deem final" such preliminary official statement or preliminary official statements as of their dates, except for the omission of information dependent upon the pricing of the 2015 Parity Bonds and the completion of the sale. The Authority agrees to deliver or to cause to be delivered, within seven business days after the date of the sale of the 2015 Parity Bonds of each Series and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriters, copies of a final official statement or final official statements and by the time and in sufficient quantity to comply with Section (b)(4) of the Rule and the rules of the MSRB.

In addition, the Board authorizes and approves the preparation, execution by the Designated Authority Representative and delivery to the Underwriters of a final official statement or final official statements for the 2015 Parity Bonds, in the form of the preliminary official statement(s), with such modifications and amendments thereto as shall be deemed necessary or desirable by the Designated Authority Representative.

(b) The Board also authorizes the preparation, execution by the Designated Authority Representative and delivery from time to time of remarketing circulars or other disclosure documents in connection with remarketing 2015 Variable Rate Parity Bonds of one or more Series, including supplements and amendments thereto as shall be deemed necessary or desirable by the Designated Authority Representative.

**Section 12. Preservation of Tax Exemption of Interest on Tax-Exempt 2015 Parity Bonds.** The Authority covenants that it will take all actions necessary to prevent interest on Tax-Exempt 2015 Parity Bonds from being included in gross income for federal income tax purposes,

and that it will neither take any action nor make or permit any use of proceeds of Tax-Exempt 2015 Parity Bonds or other funds of the Authority treated as proceeds of Tax-Exempt 2015 Parity Bonds at any time during the term of the Tax-Exempt 2015 Parity Bonds which will cause interest on the Tax-Exempt 2015 Parity Bonds to be included in gross income for federal income tax purposes. The Authority also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to the Tax-Exempt 2015 Parity Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Tax-Exempt 2015 Parity Bonds, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the 2015 Parity Bonds from being included in gross income for federal income tax purposes.

**Section 13. Deposit, Use and Investment of 2015 Parity Bond Proceeds; Establishment of Accounts.** (a) The net proceeds, including premium, if any, received from the sale and delivery of the 2015 Parity Refunding Bonds shall be paid to the Escrow Agent as outlined in Section 14, or into the “2015 Refunding Parity Bond Proceeds Account” of the Authority or such other accounts or subaccounts of the Authority as the Chief Financial Officer may designate and shall be used to (i) carry out the Refunding Plan, (ii) fund a portion of the Parity Reserve Account Requirement or any alternate reserve account requirements, if necessary, and (iii) pay costs of issuing the 2015 Parity Refunding Bonds and of effecting the Refunding Plan.

The Chief Financial Officer may establish and may transfer, record, allocate or restrict proceeds of the 2015 Refunding Parity Bonds not deposited with the Escrow Agent among such accounts or subaccounts of the Authority and make such transfers, recordings, allocations, restrictions or deposits on terms he or she may deem necessary, appropriate or desirable to carry out the purposes of this Series Resolution.

(b) A portion of the net proceeds, including premium, if any, of the 2015 Parity Improvement Bonds shall be deposited into the “2015 Project Account” in the Project Fund held by the Authority and applied to the payment (or to reimburse the Authority for the payment) of costs of the acquiring high-capacity transportation facilities, including interest on all or a portion of the 2015 Parity Improvement Bonds during construction; a portion shall be deposited into the Parity Reserve Account or to any alternate reserve account, if required; and the remainder shall be applied to pay costs of issuing the 2015 Parity Improvement Bonds.

The Chief Financial Officer may establish and may transfer, record, allocate or restrict proceeds of the 2015 Parity Improvement Bonds not deposited into the 2015 Project Account among such accounts or subaccounts of the Authority and make such transfers, recordings, allocations, restrictions or deposits on terms he or she may deem necessary, appropriate or desirable to carry out the purposes of this Series Resolution.

(c) Until needed to pay the costs described herein, the Authority may invest principal proceeds of the 2015 Parity Bonds temporarily in any legal investment, and the investment earnings shall be deposited in such accounts as may be designated by the Designated Authority Representative. Earnings subject to a federal tax or rebate requirement may be withdrawn from any such account and used for those tax or rebate purposes.

**Section 14. Refunding of the Refunded Bonds.**

(a) **Appointment of Escrow Agent.** The Designated Authority Representative is authorized to appoint an Escrow Agent in connection with the Refunded Bonds.

**(b) Use of 2015 Parity Refunding Bond Proceeds.** A sufficient amount of the proceeds of the sale of the 2015 Parity Refunding Bonds shall be deposited immediately upon the receipt thereof with the Escrow Agent and used to discharge the obligations of the Authority relating to the Refunded Bonds under Resolution No. R2007-22 and Resolution No. R2007-27 by providing for the payment of the amounts required to be paid by the Refunding Plan. Any 2015 Parity Refunding Bond proceeds or other money deposited with the Escrow Agent not needed to carry out the Refunding Plan or to pay costs of issuance of the 2015 Parity Refunding Bonds or other costs of the Refunding Plan shall be returned to the Authority and deposited in the Parity Bond Account to pay interest on the 2015 Parity Refunding Bonds on the first interest payment date or otherwise as determined by the Designated Authority Representative after consultation with Bond Counsel.

**(c) Administration of Refunding Plan.** The Escrow Agent is authorized and directed to make the payments required to be made by the Refunding Plan from the money deposited with the Escrow Agent pursuant to this Series Resolution. All money deposited with the Escrow Agent and any income therefrom shall be held irrevocably, invested in Defeasance Obligations and applied in accordance with the provisions of Resolution No. R2007-22 and Resolution No. R2007-27, the 2015 Parity Bond Resolutions, chapter 39.53 RCW and other applicable statutes of the State, and the Escrow Agreement. All necessary and proper fees, compensation and expenses of the Escrow Agent and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the 2015 Parity Refunding Bonds shall be paid out of the proceeds of the 2015 Parity Refunding Bonds.

**(d) Authorization for Escrow Agreement.** To carry out the Refunding Plan provided for by this Series Resolution, the Chief Financial Officer of the Authority is authorized and directed to execute and deliver to the Escrow Agent the Escrow Agreement setting forth the duties, obligations and responsibilities of the Escrow Agent in connection with the payment and redemption of the Refunded Bonds as provided herein.

**(e) Authorization for Replacement Bonds.** If necessary, the Authority may issue replacement bonds in principal amounts reflecting the defeased and nondefeased portions of the Refunding Candidates. The replacement bonds shall be printed, executed and authenticated in the same manner as the 2007A Parity Bonds.

**Section 15. Redemption of the Refunded Bonds.** The Authority calls for redemption on November 1, 2017, and hereby instructs the Escrow Agent or Bond Registrar to give notice of such redemption, of all of the Refunded Bonds stated to mature on and after November 1, 2018, at a redemption price equal to 100 percent of the principal amount thereof, plus accrued interest. Such call for redemption and such instruction shall be irrevocable after the delivery of the 2015 Parity Refunding Bonds to the Underwriters. The date on which the Refunded Bonds are to be called for redemption is the first date on which the Refunded Bonds may be called.

The proper Authority officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Resolution Nos. R2007-22 and R2007-27 to effect the redemption of the Refunded Bonds on November 1, 2017.

**Section 16. Authority Findings with Respect to Refunding.** The Board authorizes the Designated Authority Representative to issue the 2015 Parity Refunding Bonds if it will achieve debt service savings to the Authority and is in the best interest of the Authority and its taxpayers and in the public interest. In making such finding and determination, the Designated

Authority Representative will give consideration to the fixed maturities of the 2015 Parity Refunding Bonds and the Refunded Bonds, the costs of issuance of the 2015 Parity Refunding Bonds and the expected income from the investment of the proceeds of the issuance and sale of the 2015 Parity Refunding Bonds pending payment and redemption of the Refunded Bonds.

The Designated Authority Representative also may purchase Defeasance Obligations to be deposited with the Escrow Agent, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the Authority under Resolution No. R2007-22 with respect to the Refunded Bonds. Immediately upon the delivery of such Defeasance Obligations to the Escrow Agent and the deposit of any necessary beginning cash balance, the Refunded Bonds shall be deemed not to be Outstanding and shall cease to be entitled to any lien, benefit or security under Resolution No. R-2007-22 authorizing their issuance except the right to receive payment from the Defeasance Obligations and beginning cash balance so set aside and pledged.

**Section 17. Continuing Disclosure.** (a) The Authority covenants and agrees that it will comply with and will carry out all of the provisions of the Continuing Disclosure Certificate. The Continuing Disclosure Certificate shall be in the form included in the Preliminary Official Statement approved by the Designated Authority Representative, together with such additions or other changes as may be approved by the Designated Authority Representative executing such Certificate. Notwithstanding any other provision of this Series Resolution or the Parity Bond Master Resolution, failure of the Authority to comply with the Continuing Disclosure Certificate shall not constitute a Default, provided, however, that any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under the Continuing Disclosure Certificate. For purposes of this Section, "Beneficial Owner" means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds, (including persons holding Bonds through nominees, depositories or other intermediaries).

(b) The Chief Financial Officer of the Authority (or such other officer of the Authority who may in the future perform the duties of that office) or his or her designee is authorized and directed in his or her discretion to take such further actions as may be necessary, appropriate or convenient to carry out the duties of the Authority set forth in the Continuing Disclosure Certificate, including, without limitation, the following actions:

- (A) Preparing and filing the annual financial information undertaken to be provided;
- (B) Determining whether any listed event has occurred and preparing and disseminating notice of its occurrence;
- (C) Determining whether any person other than the Authority is an "obligated person" within the meaning of the Rule with respect to the 2015 Parity Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of enumerated events for that person in accordance with the Rule;
- (D) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the Authority in carrying out the Authority's duties under the Continuing Disclosure Certificate; and

(E) Effecting any necessary amendment of the Continuing Disclosure Certificate.

**Section 18. Authorized Budget Amendment; Amendment of Section 1a (Debt Service) of Resolution No. R2014-36.** The Designated Authority Representative is hereby authorized and directed to determine the amount of debt service on the 2015 Parity Bonds that will be payable in connection with the issuance of the 2015 Parity Bonds and to amend or cause to be amended the Authority's Adopted 2015 Budget to include such amounts; and the authorization provided to the Authority by the Board in Section 1a of Resolution No. R2014-36 and the Adopted 2015 Budget each is hereby amended by such amounts. The Designated Authority Representative is hereby authorized and directed to pay the fees and expenses that will be payable in connection with the 2018 conversion and future conversions and/or remarketings of the 2015 Variable Rate Parity Bonds and to amend or cause to be amended the Authority's budgets only in the fiscal year of conversion and/or remarketing to include such amounts not to exceed 1.25% of the par amount of the 2015 Variable Rate Parity Bonds. The payment of the fees and expenses in connection with each conversion and/or remarketing shall be done in a competitive manner in compliance with Resolution No. R78-2, as such resolution may be amended or supplemented in accordance of such resolution.

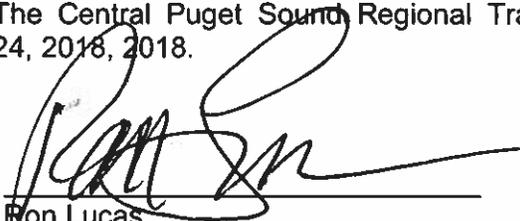
**Section 19. Resolution a Contract.** This Series Resolution, together with the Parity Bond Master Resolution and the Continuing Disclosure Certificate, shall constitute a contract with the Owners of the 2015 Parity Bonds.

**Section 20. Severability.** If any one or more of the provisions of this Series Resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed separable from, and shall in no way affect the validity of, any of the other provisions of this Series Resolution or of the 2015 Parity Bonds issued pursuant to the terms thereof.

**Section 21. Ratification of Prior Acts.** Any action taken by or on behalf of the Authority and consistent with the intent of this Series Resolution but prior to the effective date of this Series Resolution, including but not limited to issuing requests for proposals for financing or underwriting services, executing engagement letters for financing or underwriting services based on responses to such requests, preparing and issuing disclosure materials relating to the 2015 Parity Bonds, and executing contracts or other documents, is hereby ratified, approved, and confirmed.

**Section 22. Effective Date.** Section 18 of this resolution shall take effect immediately upon its adoption. The remaining provisions of this resolution shall take effect subject to the conditions of Section 16(a)(x) of the Parity Bond Master Resolution.

ADOPTED by the Board of Directors of The Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 24, 2018, 2018.



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Ron Lucas  
Board Vice Chair

ATTEST:



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Kathryn Flores  
Board Administrator

## APPENDIX A

### ADDITIONAL TERMS OF 2015 VARIABLE RATE PARITY BONDS

**Section 1. Definitions.** Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Series Resolution, including this Appendix A, and of any resolution supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Adjustable Term Interest Period” means each period during which a particular Adjustable Term Rate is in effect as set forth in this Appendix A.

“Adjustable Term Rate” means an interest rate for the 2015 Variable Rate Parity Bonds of a Series that is determined for a period of at least 12 months, as set forth in this Appendix A.

“Adjustable Term Rate Bonds” means 2015 Variable Rate Parity Bonds of a Series that bear interest at an Adjustable Term Rate.

“Adjustable Term Rate Conversion Date” means the day on which (a) interest begins to accrue on the 2015 Variable Rate Parity Bonds of a Series at an Adjustable Term Rate following Conversion as set forth in this Appendix A, or (b) the then-current Adjustable Term Rate Period is changed to a new Adjustable Term Rate Period as set forth in this Appendix A.

“Adjustable Term Rate Mandatory Purchase Date” means the first day after the last day of each Adjustable Term Interest Period.

“Adjustable Term Rate Period” means a period during which the 2015 Variable Rate Parity Bonds of a Series are Adjustable Term Rate Bonds.

“Alternate Credit Facility” means a Credit Facility delivered to the Bond Registrar in accordance with Section 8(b) of this Appendix A to replace the Credit Facility then in effect.

“Alternate Liquidity Facility” means a Liquidity Facility delivered or made available to the Tender Agent in accordance with Section 8(c) of this Appendix A to replace the Liquidity Facility then in effect.

“Alternate Rate” means a rate per annum equal to 100% of the SIFMA Index, unless a different Alternate Rate for 2015 Variable Rate Parity Bonds of one or more Series is approved by the Designated Authority Representative pursuant to Section 10 of this Series Resolution.

“Applicable Factor” means, during each LIBOR Index Rate Period, the percentage designated in writing by the Authority as the Applicable Factor for such LIBOR Index Rate Period pursuant to Section 4 of this Series Resolution (in the case of the Initial Period) and this Appendix A.

“Applicable Spread” means during any Index Floating Rate Period, the number of basis points determined by the Remarketing Agent on or before the first day of such Index Floating Rate Period (or in the case of the Initial Period by the Underwriter or Underwriters of the 2015 Variable Rate Parity Bonds, as determined by the Designated Authority Representative pursuant to Section 10 of this Series Resolution) that when added to the SIFMA Index or the product of the

LIBOR Index multiplied by the Applicable Factor, as applicable, would equal the minimum interest rate per annum that would enable the Index Floating Rate Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

“Authority Elective Purchase Date” means, with respect to 2015 Variable Rate Parity Bonds during a Daily Rate Period or Weekly Rate Period, any Business Day designated by the Authority, with the consent of the Liquidity Provider, if any, and during any Index Floating Rate Period or Adjustable Term Rate Period, as described in Section 6(e)(7) of this Appendix A.

“Bank Bond” means a 2015 Variable Rate Parity Bond (or a beneficial interest therein) that, as more fully described in Section 4 of this Appendix A, is purchased (or provided to be purchased) by the Tender Agent pursuant to this Series Resolution with amounts requested by the Tender Agent and paid or provided by the Liquidity Facility Provider under the Liquidity Facility relating to such 2015 Variable Rate Parity Bond (which Bond shall remain a Bank Bond unless and until such 2015 Variable Rate Parity Bond ceases to be a Bank Bond as described in Section 4).

“Bank Rate” means the rate of interest borne by a Bank Bond, as specified and/or determined in accordance with the Liquidity Facility or the Liquidity Facility Agreement relating to such Bank Bond.

“Computation Date” means (a) during each SIFMA Index Rate Period, Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day and (b) during each LIBOR Index Rate Period, the second New York Banking Day preceding the applicable LIBOR Index Rate Conversion Date and each LIBOR Index Reset Date.

“Conversion” means a conversion of the 2015 Variable Rate Parity Bonds of a Series from one Interest Rate Mode to another Interest Rate Mode.

“Conversion Date” means for 2015 Variable Rate Parity Bonds of a Series an Index Floating Rate Conversion Date, a Daily Rate Conversion Date, a Weekly Rate Conversion Date, a Short-Term Rate Conversion Date, a Long-Term Rate Conversion Date, an Adjustable Term Rate Conversion Date or the Fixed Rate Conversion Date.

“Credit Facility Agreement” means, with respect to a Credit Facility then in effect, the separate agreement, if any, under and pursuant to which such Credit Facility is issued.

“Credit Facility Date” means a date on which a Credit Facility is accepted, including a substitution, by the Bond Registrar and becomes effective. The date of any renewal or extension of the expiration date of a Credit Facility then in effect shall not be considered to be a Credit Facility Date for purposes of this Series Resolution.

“Credit Facility Fund” means the fund by that name established pursuant to Section 8(a)(3) of this Appendix A.

“Credit Facility Provider” means the issuer of a Credit Facility.

“Credit Facility Provider Failure” means the dissolution, cessation of operations, bankruptcy or seizure of operations by a regulatory agency of a Credit Facility Provider or the failure of a Credit Facility Provider to honor a proper draw request under a Credit Facility.

“Daily Interest Period” means each period during which a particular Daily Rate is in effect as set forth in this Appendix A.

“Daily Rate” means an interest rate for 2015 Variable Rate Parity Bonds of a Series determined on each Business Day as set forth in this Appendix A.

“Daily Rate Bonds” means 2015 Variable Rate Parity Bonds that bear interest at a Daily Rate.

“Daily Rate Conversion Date” means a day on which interest on the 2015 Variable Rate Parity Bonds of a Series begins to accrue at a Daily Rate as set forth in this Appendix A.

“Daily Rate Period” means a period during which the 2015 Variable Rate Parity Bonds of a Series are Daily Rate Bonds.

“Delayed Remarketing Period” means (a) the period beginning on a Purchase Date for Index Floating Rate Bonds of a Series or Adjustable Term Rate Bonds of a Series on which the related Purchase Price for all of the Index Floating Rate Bonds of such Series or the Adjustable Term Rate Bonds of such a Series is not available or any of the other conditions to Conversion were not satisfied and ending on the earlier of: (i) the day that is one Business Day after the Business Day the Remarketing Agent provides notice to the Authority and the Bond Registrar that all of the Index Floating Rate Bonds of such Series or all of the Adjustable Term Rate Bonds of such Series can be remarketed and (ii) if the Authority elects to convert the Index Floating Rate Bonds of such Series or the Adjustable Term Rate Bonds of such Series to another Interest Rate Mode, the Conversion Date; or (b) such longer period as may be approved by the Designated Authority Representative prior to the issuance of the 2015 Variable Rate Bonds of such Series.

“Delayed Remarketing Rate” means during any Delayed Remarketing Period for Index Floating Rate Bonds of a Series or Adjustable Term Rate Bonds of a Series, an interest rate not to exceed the Maximum Rate; as shall be specified by the Authority Designated Representative in the Delivery Certificate.

“Delivery Certificate” means the certificate of the Authority Designated Representative delivered in connection with any optional or mandatory purchase and/or any Conversion, as applicable, of the 2015 Variable Rate Parity Bonds specifying the terms and conditions related to such Conversion.

“Expiration Date” means the earlier of the Stated Expiration Date or any date upon which a Liquidity Facility or a Credit Facility expires in accordance with its terms, other than any date that is also a Termination Date or a Conversion Date.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that if such day is not a Business Day, then the Federal Funds Rate for such day shall be the rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day.

“Fixed Rate” means the fixed interest rate or rates for the 2015 Variable Rate Parity Bonds of a Series, determined as set forth in this Appendix A.

“Fixed Rate Bonds” means 2015 Variable Rate Parity Bonds that are converted to bear interest at a Fixed Rate.

“Fixed Rate Conversion Date” means the day on which interest begins to accrue on the 2015 Variable Rate Parity Bonds of a Series at a Fixed Rate following Conversion as set forth in this Appendix A.

“Fixed Rate Period” means the period during which the 2015 Variable Rate Parity Bonds of a Series are Fixed Rate Bonds.

“Index Floating Rate” means the LIBOR Index Rate or the SIFMA Index Rate, as applicable.

“Index Floating Rate Bonds” means the 2015 Variable Rate Parity Bonds of a Series that bear interest at an Index Floating Rate.

“Index Floating Rate Conversion Date” means the day on which (a) the then-current Index Floating Rate Period is changed to a new Index Floating Rate Period as set forth in this Appendix A or (b) the date on which the interest rate on the 2015 Variable Rate Parity Bonds of a Series is converted to the Index Floating Rate.

“Index Floating Rate Period” means a SIFMA Index Rate Period or a LIBOR Rate Period.

“Initial Period” means for the 2015 Variable Rate Parity Bonds of a Series the initial SIFMA Index Rate Period or LIBOR Index Rate Period as determined by the Designated Authority Representative prior to the Closing Date for the 2015 Variable Rate Parity Bonds of such Series, commencing on such Closing Date and ending on the next succeeding Purchase Date of the 2015 Variable Rate Parity Bonds of such Series, in each case as determined by the Designated Authority Representative pursuant to Section 4(a) of this Series Resolution.

“Interest Payment Date” means:

(a) for 2015 Parity Bonds that bear interest at fixed rates as of the Closing Date, May 1 and November 1, or on such other dates as the Designated Authority Representative shall determine pursuant to Section 10 of this Series Resolution;

(b) for Index Floating Rate Bonds, the first Business Day of each month and any Conversion Date, or such other date as the Designated Authority Representative shall determine pursuant to Section 10 of this Series Resolution;

(c) with respect to Daily Rate Bonds and Weekly Rate Bonds, the first Business Day of each month and any day that is a Conversion Date for such Daily Rate Bonds or Weekly Rate Bonds, other than a Conversion Date between the Daily Interest Period and the Weekly Interest Period;

(d) with respect to Short-Term Rate Bonds, the first Business Day after the last day of each Short-Term Rate Period and any day that is a Conversion Date for such Short-Term Rate Bonds;

(e) with respect to Long-Term Rate Bonds, each Payment Date and any day that is a Conversion Date for such Long-Term Rate Bonds;

(f) with respect to Adjustable Term Rate Bonds, each Payment Date and any day that is a Conversion Date for such Adjustable Term Rate Bonds;

(g) with respect to Fixed Rate Bonds, each Payment Date;

(h) the Maturity Date for such 2015 Variable Rate Parity Bonds; and

(i) with respect to each Bank Bond, has the meaning set forth in the Liquidity Facility or the Liquidity Facility Agreement relating to such Bank Bond.

“Interest Payment Period” means:

(a) with respect to Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, the period from and including an Interest Payment Date for such Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, as applicable, to but excluding the next succeeding Interest Payment Date for such Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds; and

(b) with respect to Fixed Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds, the period from and including the Fixed Rate Conversion Date, the Long-Term Rate Conversion Date or the Adjustable Term Rate Conversion Date, as applicable, to but excluding the next succeeding Interest Payment Date for such Fixed Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds and thereafter, the period from and including each Interest Payment Date for such Fixed Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds to but excluding the next succeeding Interest Payment Date for such Fixed Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds; and

(c) for Index Floating Rate Bonds, the period from and including the Closing Date or the Index Floating Rate Conversion Date, as applicable, to and including the last calendar day of the month in which such Closing Date occurs or subsequent month if so specified in the Bond Purchase Contract for the Initial Period (or the calendar day immediately preceding such Index Floating Rate Conversion Date) and thereafter, the period from and including the first calendar day of each month to and including the last calendar day of such month (or to but excluding the Index Floating Rate Conversion Date for such Index Floating Rate Bonds).

“Interest Rate Mode” means each period in which the 2015 Variable Rate Parity Bonds of a Series bear interest at the Index Floating Rates, the Daily Rates, the Weekly Rates, the Long-Term Rates, the Short-Term Rates, the Adjustable Term Rates or the Fixed Rates.

“LIBOR Index” means, for any Computation Date, the rate for deposits in U.S. dollars with a one-month maturity as published by Reuters on Reuters Screen LIBOR01 Page (or published by such other service selected by the Authority, which has been approved or nominated by the ICE Benchmark Administration as an authorized vendor for the purpose of publishing London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, on such Computation Date; provided that if such rate is not available on the Computation Date and/or the Authority or the Calculation Agent is not able to determine such rate, the “LIBOR Index” means the LIBOR Index then in effect during the immediately preceding LIBOR Index Rate Period; or, at the direction of a Designated Authority Representative (a) a replacement index based upon the arithmetic mean of the quotations, if any, of the interbank offered rate by first class banks in London or New York for deposits with comparable maturities or (b) the Calculation Agent’s Federal Funds Rate as of the first day of any LIBOR Index Rate Period for which such LIBOR Index is unavailable or cannot be determined; provided that the Calculation Agent shall give

prompt written notice to the Authority setting forth such change in interest rate, the nature of the circumstances giving rise to such change, and the method of calculating such change if based upon a replacement index. The Calculation Agent's internal records of applicable interest rates shall be determinative in the absence of manifest error.

"LIBOR Index Rate" means a per annum rate of interest established on each Computation Date equal to the sum of (a) the product of (i) the LIBOR Index multiplied by (ii) the Applicable Factor plus (b) the Applicable Spread.

"LIBOR Index Rate Conversion Date" means (a) the day on which the 2015 Variable Rate Parity Bonds of a Series begin to bear interest at the LIBOR Index Rate or (b) if the 2015 Variable Rate Parity Bonds of a Series have previously borne interest at the LIBOR Index Rate during a LIBOR Index Rate Period then ending, the Index Floating Rate Conversion Date occurring at the end of the then-ending LIBOR Index Rate Period.

"LIBOR Index Rate Period" means the period from and including a LIBOR Index Rate Conversion Date to but excluding the earlier of (a) the immediately succeeding Purchase Date and (b) the Maturity Date.

"LIBOR Index Reset Date" means the first calendar day of each calendar month.

"Liquidity Account" means the account by that name in the Purchase Fund established pursuant to Section 6(d)(1) of this Appendix A.

"Liquidity Facility Agreement" means, with respect to a Liquidity Facility then in effect, the separate agreement, if any, under and pursuant to which such Liquidity Facility is issued (it being understood and acknowledged that there may but need not be a Liquidity Facility Agreement with respect to a Liquidity Facility).

"Liquidity Facility Date" means a date on which a Liquidity Facility is accepted, including a substitution, by the Tender Agent and becomes effective in accordance with Section 8(c) of this Appendix A. The date of any renewal or extension of the expiration date of a Liquidity Facility then in effect shall not (but any amendment of the automatic termination events, suspension events or conditions to purchase shall) be considered to be a Liquidity Facility Date for purposes of this Series Resolution.

"Liquidity Facility Provider" means the issuer of a Liquidity Facility.

"Liquidity Facility Request" has the meaning assigned to that term in Section 6(d)(3)(A) of this Appendix A.

"Long-Term Interest Period" means each period during which a particular Long-Term Rate is in effect as set forth in this Appendix A.

"Long-Term Rate" means an interest rate for the 2015 Variable Rate Parity Bonds of a Series that is determined for a term of at least 12 months, as set forth in this Appendix A.

"Long-Term Rate Bonds" means 2015 Variable Rate Parity Bonds of a Series that bear interest at a Long-Term Rate.

“Long-Term Rate Conversion Date” means the day on which interest begins to accrue on the 2015 Variable Rate Parity Bonds of a Series at a Long-Term Rate following Conversion as set forth in this Appendix A.

“Long-Term Rate Mandatory Purchase Date” means the first day after the last day of each Long-Term Interest Period.

“Long-Term Rate Period” means a period during which the 2015 Variable Rate Parity Bonds of a Series are Long-Term Rate Bonds.

“Mandatory Sinking Account Payment” means the amount required by this Series Resolution to be paid by the Authority on any single date for the retirement of 2015 Variable Rate Parity Bonds.

“Non-reinstatement Date” means, with respect to a Liquidity Facility, the date which is seven calendar days (or if such seventh calendar day is not a Business Day, the Business Day immediately preceding such seventh calendar day) after the date on which the Bond Registrar receives written notice from the Liquidity Facility Provider to the effect that an event of default under the related Liquidity Facility Agreement has occurred and following a draw under the Liquidity Facility and in accordance with the terms of the Liquidity Facility the amount so drawn will not be reinstated.

“Optional Liquidity Payments” has the meaning given in Section 8(d)(2) of this Appendix A.

“Par Call Date” means, for Index Floating Rate Bonds or Adjustable Term Rate Bonds of a Series, each Conversion Date, each Purchase Date and each Business Day within the period of time specified in the Delivery Certificate preceding a Conversion Date.

“Payment Date” means each semiannual date on which a payment of principal shall mature or interest shall be due with respect to Fixed Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds determined by the Remarketing Agent pursuant to Section 2(e) or Section 3 of this Appendix A.

“Purchase Date” means each date on which 2015 Variable Rate Bonds are subject to optional or mandatory purchase pursuant to Section 6 of this Appendix A.

“Purchase Fund” means the fund by that name established pursuant to Section 6(d)(1) of this Appendix A.

“Purchase Price” means with respect to a Daily Rate Bond, a Weekly Rate Bond, a Short-Term Rate Bond, a Long-Term Rate Bond, an Index Floating Rate Bond or an Adjustable Term Rate Bond subject to purchase on a Purchase Date, an amount equal to the principal amount thereof plus, if such Purchase Date is not an Interest Payment Date therefor, accrued and unpaid interest thereon to such Purchase Date.

“Remarketing Account” means the account by that name in the Purchase Fund established pursuant to Section 6(d)(1) of this Appendix A.

“Remarketing Agreement” means a remarketing agreement entered into by the Authority and the Remarketing Agent and any other similar agreement entered into with a successor

Remarketing Agent with respect to 2015 Variable Rate Parity Bonds of a Series or in conjunction with a Daily Rate Conversion Date, a Weekly Rate Conversion Date, a Short-Term Rate Conversion Date, a Long-Term Rate Conversion Date, an Adjustable Term Rate Conversion Date or an Index Floating Rate Conversion Date, in each case, as such agreement may from time to time be amended or supplemented in accordance with its terms and the terms of the Liquidity Facility, if any, and the related Liquidity Facility Agreement.

“Required Liquidity Payments” has the meaning given in Section 8(d)(1) of this Appendix A.

“Required Stated Amount” means the Outstanding principal amount of the 2015 Variable Rate Parity Bonds of a Series (a) plus accrued interest on the 2015 Variable Rate Parity Bonds of such Series (i) for no less than 37 days at a rate equal to the lower of the Maximum Rate then applicable to the 2015 Variable Rate Parity Bonds of such Series, if the 2015 Variable Rate Parity Bonds of such Series bear interest at Daily Rates or Weekly Rates; or (ii) for no less than 185 days at the then-effective Long-Term Rate if the 2015 Variable Rate Parity Bonds of such Series bear interest at the Long-Term Rate; or (iii) for no less than the length of the Short-Term Interest Period then in effect plus 5 days at the Short-Term Rate then in effect, if the 2015 Variable Rate Parity Bonds of such Series bear interest at a Short-Term Rate; or (b) in each case plus accrued interest at the rate for the number of days required by a rating agency and approved by the Designated Authority Representative.

“Short-Term Interest Period” means each period during which a particular Short-Term Rate is in effect with respect to a particular Short-Term Rate Bond as set forth in this Appendix A.

“Short-Term Rate” means, with respect to a particular Short-Term Rate Bond, an interest rate that is determined on a periodic basis for such Short-Term Rate Bond as set forth in this Appendix A.

“Short-Term Rate Bonds” means 2015 Variable Rate Parity Bonds of a Series that bear interest at a Short-Term Rate.

“Short-Term Rate Conversion Date” means the day on which interest begins to accrue on the 2015 Variable Rate Parity Bonds of a Series at one or more Short-Term Rates following Conversion as set forth in this Appendix A.

“Short-Term Rate Mandatory Purchase Date” means the first day after the last day of each Short-Term Interest Period.

“Short-Term Rate Period” means a period during which the 2015 Variable Rate Parity Bonds of a Series are Short-Term Rate Bonds.

“SIFMA” means the Securities Industry and Financial Markets Association (formerly the Bond Market Association).

“SIFMA Index” means, for any Computation Date, the level of the index that is (a) compiled from the weekly interest rate resets of tax-exempt variable rate issues reported to the MSRB’s Short-term Obligation Rate Transparency (“SHORT”) system that meet specific criteria established from time to time by SIFMA and (b) issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day. If the SIFMA Index is no longer published, then the “SIFMA Index” shall mean the S&P Municipal Bond 7 Day High Grade

Rate Index. If the S&P Municipal Bond 7 Day High Grade Rate Index is no longer published, then “SIFMA Index” shall mean the prevailing rate determined by the Calculation Agent for tax-exempt state and local government bonds meeting criteria determined in good faith by the Calculation Agent to be comparable under the circumstances to the criteria used by SIFMA to determine the SIFMA Index immediately prior to the date on which SIFMA ceased publication of the SIFMA Index.

“SIFMA Index Rate” means a per annum rate of interest established on each Computation Date equal to the sum of the Applicable Spread plus the SIFMA Index.

“SIFMA Index Rate Conversion Date” means (a) the day on which 2015 Variable Rate Parity Bonds of a Series begin to bear interest at the SIFMA Index Rate or (b) if the 2015 Variable Rate Parity Bonds of a Series have previously borne interest at the SIFMA Index Rate during a SIFMA Index Rate Period then ending, the Index Floating Rate Conversion Date occurring at the end of the then ending SIFMA Index Rate Period.

“SIFMA Index Rate Period” means each period from and including the Closing Date or a SIFMA Index Rate Conversion Date to but excluding the earlier of (a) the immediately succeeding Purchase Date and (b) the Maturity Date.

“SIFMA Index Reset Date” means Thursday of each week.

“Stated Expiration Date” means the date on which a Liquidity Facility or a Credit Facility is scheduled to expire in accordance with its terms, as such date may be extended from time to time in accordance with such Liquidity Facility or Liquidity Facility Agreement relating to such Liquidity Facility or Credit Facility or Credit Facility Agreement relating to such Credit Facility.

“Tender Agent” means the Bond Registrar or any successor thereto appointed in accordance with the 2015 Parity Bond Resolutions.

“Termination Date” means, with respect to a Liquidity Facility, the date which is seven calendar days (or if such seventh calendar day is not a Business Day, the Business Day immediately preceding such seventh calendar day) after the date on which the Bond Registrar receives written notice from the Liquidity Facility Provider under such Liquidity Facility which (a) advises the Bond Registrar of the occurrence and continuance of an “Event of Default” under and as defined in such Liquidity Facility or the related Liquidity Facility Agreement, and (b) directs the Bond Registrar to cause a mandatory tender of the Bonds to which such Liquidity Facility relates by reason of such “Event of Default.”

“Undelivered Bond” means any 2015 Variable Rate Parity Bond that is subject to purchase pursuant to Section 6(f)(1) of this Appendix A on a Purchase Date and that is not tendered and delivered for purchase on such Purchase Date but as to which the Tender Agent holds in the Purchase Fund sufficient funds to pay the Purchase Price of such 2015 Variable Rate Parity Bond.

“Undelivered Bond Payment Account” means the account by that name in the Purchase Fund established pursuant to Section 6(d)(1) of this Appendix A.

“Weekly Interest Period” means each period during which a particular Weekly Rate is in effect as set forth in this Appendix A.

“Weekly Rate” means an interest rate for the 2015 Variable Rate Parity Bonds determined on each Wednesday as set forth in this Appendix A.

“Weekly Rate Bonds” means 2015 Variable Rate Parity Bonds that bear interest at a Weekly Rate.

“Weekly Rate Conversion Date” means the day on which interest begins to accrue on the 2015 Variable Rate Parity Bonds of a Series at a Weekly Rate following Conversion as set forth in this Appendix A.

“Weekly Rate Period” means a period during which the 2015 Variable Rate Parity Bonds of a Series are Weekly Rate Bonds.

**Section 2. Determination of Interest Rates on 2015 Variable Rate Parity Bonds: Conversions Between Interest Rate Modes other than Fixed Rate**

(a) *Determination of Interest Rates.*

(1) Same Interest Rate Mode. All 2015 Variable Rate Parity Bonds of a Series shall operate in the same Interest Rate Mode.

(2) Maximum Rate. Interest on the 2015 Variable Rate Parity Bonds shall not exceed the Maximum Rate.

(3) Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds, Index Floating Rate Bonds or Adjustable Term Rate Bonds. Subject to the further provisions of this Section with respect to particular Daily Rates, Weekly Rates, Short-Term Rates, Long-Term Rates, Index Floating Rates or Adjustable Term Rates or Conversions between Daily Rates and Weekly Rates or to Short-Term Rates, Long-Term Rates or Index Floating Rates or Adjustable Term Rates, the interest rate on the 2015 Variable Rate Parity Bonds of a Series during any Daily Rate Period, Weekly Rate Period, Short-Term Interest Period, Long-Term Interest Period, Index Floating Rate Period or Adjustable Term Rate Period shall be determined by the Remarketing Agent as provided in this Section, and notice thereof shall be given as follows:

(A) The interest rate for the Daily Rate Period, Weekly Rate Period, Short-Term Interest Period, Long-Term Interest Period, Index Floating Rate Period or Adjustable Term Rate Period in question shall be determined by the Remarketing Agent on the date or dates and at the applicable time or times required below.

(B) If the Remarketing Agent fails for any reason to determine the Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate, Index Floating Rate or Adjustable Term Rate for any Daily Rate Period, Weekly Rate Period, Short-Term Rate Period, Long-Term Rate Period, Index Floating Rate Period or Adjustable Term Rate Period, as applicable, when required hereunder, or a court holds that the Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate, Index Floating Rate or Adjustable Term Rate for any Daily Rate Period, Weekly Rate Period, Short-Term Rate Period, Long-Term Rate Period, Index Floating Rate Period or Adjustable Term Rate Period, as applicable, is invalid, illegal or unenforceable, then the interest rate on such Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds and shall be equal to the Alternate Rate, until the interest rate on such Variable Rate Parity Bonds is again validly determined by the Remarketing Agent, and the interest rate on such Index Floating Rate

Bonds and Adjustable Term Rate Bonds shall be equal to the Delayed Remarketing Rate as provided in Section 2(i) of this Appendix A.

(C) All Daily Rate Bonds of a Series shall bear interest accruing at the same Daily Rate, all Weekly Rate Bonds of a Series shall bear interest accruing at the same Weekly Rate, all Long-Term Rate Bonds of a Series shall bear interest accruing at the same Long-Term Rate, all Index Floating Rate Bonds of a Series shall bear interest accruing at the same Index Floating Rate, and all Adjustable Term Rate Bonds of a Series shall bear interest accruing at the same Adjustable Term Rate.

(4) Bank Bonds. Bank Bonds shall bear interest at the Bank Rate determined in accordance with the Liquidity Facility or the Liquidity Facility Agreement relating to such Bank Bond, as set forth in Section 4 of this Appendix A.

(b) *Daily Rates.*

(1) Interest Period. Whenever 2015 Variable Rate Parity Bonds of a Series are to bear interest accruing at a Daily Rate, Daily Interest Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day. The interest rate to be determined for a Daily Rate Period shall be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would cause such 2015 Variable Rate Parity Bonds of such Series to have a price equal to the principal amount thereof under prevailing market conditions for that Daily Interest Period as of the date of determination.

(2) Effective Period. The interest rate for each Daily Interest Period shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(3) Determination Time. Each Daily Rate shall be determined by the Remarketing Agent by 10:00 a.m., New York City time, on the commencement date of the Daily Interest Period to which it relates. Notice of each Daily Rate shall be given by the Remarketing Agent to the Bond Registrar, the Tender Agent and the Authority, by Electronic Notice. The Bond Registrar shall inform the Owners of such 2015 Variable Rate Parity Bonds of each Daily Rate determined by the Remarketing Agent upon request.

(c) *Weekly Rates.*

(1) Interest Period. Whenever the 2015 Variable Rate Parity Bonds of a Series are to bear interest accruing at a Weekly Rate, Weekly Interest Periods shall commence on Wednesday of each week and end on Tuesday of the following week; provided, however, that (A) in the case of a Conversion to a Weekly Rate from another Interest Rate Mode, the initial Weekly Interest Period for such 2015 Variable Rate Parity Bonds shall commence on the Weekly Rate Conversion Date and end on the next succeeding Tuesday and (B) in the case of a Conversion from a Weekly Rate to another Interest Rate Mode, the last Weekly Interest Period prior to Conversion shall end on the last day immediately preceding the applicable Conversion Date. The interest rate to be determined for a Weekly Rate Period shall be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would cause such 2015 Variable Rate Parity Bonds of such Series to have a price equal to the principal amount thereof under prevailing market conditions for that Weekly Interest Period as of the date of determination.

(2) Effective Period. The interest rate for each Weekly Interest Period shall be effective from and including the commencement date of such Weekly Interest Period and shall remain in effect through and including the last day thereof.

(3) Determination Time. Each Weekly Rate shall be determined by the Remarketing Agent by 10:00 a.m., New York City time, on the commencement date of the Weekly Interest Period to which it relates. Notice of each Weekly Rate shall be given by the Remarketing Agent to the Bond Registrar, the Tender Agent, the Authority, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, by Electronic Notice not later than 10:30 a.m., New York City time, on the date of determination. The Bond Registrar shall inform the Owners of such 2015 Variable Rate Parity Bonds of each Weekly Rate determined by the Remarketing Agent upon request.

(d) *Short-Term Rates.*

(1) Interest Period. Whenever the 2015 Variable Rate Parity Bonds of a Series are to bear interest accruing at a Short-Term Rate, each Short-Term Interest Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding that Short-Term Interest Period; provided that each Short-Term Rate Period (A) shall be from 1 to 270 days in length, but (i) if a Liquidity Facility is in effect, shall not exceed the number of days of interest coverage provided by such Liquidity Facility minus five days and shall not extend beyond the date that is seven days before the Stated Expiration Date of such Liquidity Facility and (ii) shall not exceed the number of days remaining prior to the Conversion Date if the Remarketing Agent has given or received notice of any Conversion to a different Interest Payment Period, (B) shall commence on a Business Day (except in the case of a Conversion to a Short-Term Rate Period, the initial Short-Term Rate shall commence on the Conversion Date), and (C) shall end on a day preceding a Business Day or the day preceding the Maturity Date. The Remarketing Agent may, in the reasonable exercise of its judgment, determine one or more Short-Term Interest Periods that result in a Short-Term Rate or Short-Term Rates on such 2015 Variable Rate Parity Bonds that are higher than would be borne by such 2015 Variable Rate Parity Bonds with a shorter Short-Term Interest Period to increase the likelihood of achieving the lowest net interest cost during the term of such 2015 Variable Rate Parity Bonds. The determination of each Short-Term Interest Period by the Remarketing Agent shall be based upon the relative market yields of such 2015 Variable Rate Parity Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to such 2015 Variable Rate Parity Bonds, or any fact or circumstance relating to such 2015 Variable Rate Parity Bonds or affecting the market for such 2015 Variable Rate Parity Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, will affect the market for such 2015 Variable Rate Parity Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph.

(2) Effective Period. The interest rate for each Short-Term Interest Period shall be effective from and including the commencement date of that interest period and shall remain in effect through and including the last day thereof.

(3) Short-Term Interest Periods. 2015 Variable Rate Parity Bonds of a Series that are Short-Term Rate Bonds may bear interest for different Short-Term Interest Periods and at different Short-Term Rates; provided that all Short-Term Rate Bonds of such Series with the same Short-Term Interest Period shall bear interest accruing at the same Short-Term Rate; and

provided further that all the 2015 Variable Rate Parity Bonds of a Series shall be Short-Term Rate Bonds if any of the 2015 Variable Rate Parity Bonds of such Series are Short-Term Rate Bonds.

(4) Determination Time. Each such interest rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Short-Term Interest Period to which it relates. Notice of each Short-Term Rate shall be given by the Remarketing Agent to the Bond Registrar, the Tender Agent, the Authority, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Registrar shall inform the Owners of such Short-Term Rate Bonds of each Short-Term Rate determined by the Remarketing Agent upon request.

(e) *Long-Term Rates.*

(1) Interest Period. Whenever 2015 Variable Rate Parity Bonds of a Series are to bear interest accruing at a Long-Term Rate, the Long-Term Interest Period shall commence on a Long-Term Rate Conversion Date or, thereafter, the effective date of a subsequent Long-Term Interest Period, and end on a day which is at least 12 months after such Long-Term Rate Conversion Date or such effective date, which is in each case the day preceding (A) the effective date of a subsequent Long-Term Interest Period, (B) the Conversion Date on which a different Interest Payment Period shall become effective or (C) the Maturity Date; provided that if a Liquidity Facility or Credit Facility is in effect, each Long-Term Interest Period shall not extend to a date beyond the fifth day next preceding the Stated Expiration Date of such Liquidity Facility or Credit Facility. The term of each Long-Term Interest Period shall be specified in writing by the Authority to the Remarketing Agent, the Bond Registrar, the Tender Agent, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, at least 5 days prior to its commencement.

(2) Effective Period. The interest rate for each Long-Term Interest Period shall be effective from and including the commencement date of that Long-Term Interest Period and shall remain in effect through and including the last day thereof.

(3) Determination Time. Each Long-Term Rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Long-Term Interest Period to which it relates. Notice of each Long-Term Rate shall be given by the Remarketing Agent to the Bond Registrar, the Tender Agent, the Authority, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Registrar shall inform the Owners of each Long-Term Rate determined by the Remarketing Agent upon request.

(4) Remarketing. The Long-Term Rate for each Long-Term Interest Period for the 2015 Variable Rate Parity Bonds of a Series shall be the rate of interest per annum borne by such 2015 Variable Rate Parity Bonds which shall be the lowest rate of interest that, in the judgment of the Remarketing Agent, would cause such 2015 Variable Rate Parity Bonds to have a price equal to the principal amount thereof plus accrued interest, if any, under prevailing market conditions as of the date of determination. Notwithstanding the foregoing and the provisions of Section 7(c) of this Appendix A, the Long-Term Rate for a Long-Term Interest Period for such 2015 Variable Rate Parity Bonds may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by such 2015 Variable Rate Parity Bonds, would enable the Remarketing Agent to sell such 2015 Variable Rate Parity Bonds on the date and at the time of such determination at a price which will result in the lowest net interest

cost for such 2015 Variable Rate Parity Bonds, after taking into account any premium or discount at which such 2015 Variable Rate Parity Bonds are sold by the Remarketing Agent, provided that in connection with selling such 2015 Variable Rate Parity Bonds at a premium or discount:

(A) The Remarketing Agent certifies to the Authority, the Bond Registrar and the Tender Agent, in a form acceptable to the Remarketing Agent and the Authority, that the sale of such 2015 Variable Rate Parity Bonds at the interest rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such 2015 Variable Rate Parity Bonds on the commencement date of the Long-Term Interest Period;

(B) The Authority consents in writing to the sale of such 2015 Variable Rate Parity Bonds by the Remarketing Agent at such premium or discount;

(C) In the case of 2015 Variable Rate Parity Bonds to be sold at a discount, the Authority agrees to transfer to the Tender Agent on the commencement date of such Long-Term Interest Period, in immediately available funds, for deposit in the Authority Purchase Account, an amount equal to such discount;

(D) On or before the date of the determination of the Long-Term Rate, the Authority causes to be delivered to the Bond Registrar and the Remarketing Agent notice that Bond Counsel expects to be able to give, on or before the commencement date of the Long-Term Interest Period, an Opinion of Bond Counsel to the effect that such Conversion of the interest rate will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for federal income tax purposes; and

(E) On or before the commencement date of the Long-Term Interest Period, the Authority causes to be delivered to the Bond Registrar and the Remarketing Agent an Opinion of Bond Counsel to the effect that such Conversion will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for federal income tax purposes.

(f) *Index Floating Rate Bonds.*

(1) SIFMA Index Rate Period. During each SIFMA Index Rate Period, the Index Floating Rate Bonds shall bear interest at the SIFMA Index Rate, commencing on and including the first day of such period to but excluding the last day of such period. The Calculation Agent shall determine the SIFMA Index Rate on each Computation Date during the SIFMA Index Rate Period, and such rate shall become effective on the SIFMA Index Reset Date next succeeding such Computation Date (or on such Computation Date if such Computation Date is the SIFMA Index Reset Date) and interest at such rate shall accrue until such rate is recalculated on the next succeeding Computation Date during such SIFMA Index Rate Period. The SIFMA Index Rate shall be rounded upward to the second decimal place. Promptly following the determination of the SIFMA Index Rate, the Calculation Agent shall give notice thereof to the Authority. The determination of the SIFMA Index Rate by the Calculation Agent will be conclusive and binding upon the Owners and the beneficial owners of the SIFMA Index Rate Bonds. If the SIFMA Index Rate is not determined by the Calculation Agent on the Computation Date, the rate of interest borne by such Index Floating Rate Bonds shall be the rate determined on the immediately preceding Computation Date until the Calculation Agent next determines the SIFMA Index Rate as required hereunder.

(2) LIBOR Index Rate Period. During each LIBOR Index Rate Period, the Index Floating Rate Bonds shall bear interest at the LIBOR Index Rate. The Calculation Agent shall determine the LIBOR Index Rate on each Computation Date during the LIBOR Index Rate Period, and such rate shall become effective on the LIBOR Index Reset Date next succeeding such Computation Date and interest at such rate shall accrue each day during such LIBOR Index Rate Period, commencing on and including the first day of such period to but excluding the Purchase Date. The LIBOR Index Rate shall be rounded upward to the third decimal place. Promptly following the determination of the LIBOR Index Rate, the Calculation Agent shall give notice thereof to the Authority. The determination of the LIBOR Index Rate by the Calculation Agent will be conclusive and binding upon the Owners and the beneficial owners of the LIBOR Index Rate Bonds. If the LIBOR Index Rate is not determined by the Calculation Agent on the Computation Date, the rate of interest borne by such Index Floating Rate Bonds shall be the rate determined on the immediately preceding Computation Date until the Calculation Agent next determines the LIBOR Index Rate as required hereunder.

(g) *Adjustable Term Rates.*

(1) Interest Period. Whenever 2015 Variable Rate Parity Bonds of a Series are to bear interest accruing at an Adjustable Term Rate, the Adjustable Term Interest Period shall commence on an Adjustable Term Rate Conversion Date or, thereafter, the effective date of a subsequent Adjustable Term Interest Period, and end on a day which is at least 12 months after such Adjustable Term Rate Conversion Date or such effective date, which in each case is the day preceding (A) the effective date of a subsequent Adjustable Term Interest Period, (B) the Conversion Date on which a different Interest Payment Period shall become effective or (C) the Maturity Date. The term of each Adjustable Term Interest Period shall be specified in writing by the Authority to the Remarketing Agent, the Bond Registrar and the Tender Agent at least 5 days prior to its commencement.

(2) Effective Period. The interest rate for each Adjustable Term Interest Period shall be effective from and including the commencement date of that Adjustable Term Interest Period and shall remain in effect through and including the last day thereof.

(3) Determination Time. Each Adjustable Term Rate shall be determined by the Remarketing Agent by 4.00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Adjustable Term Interest Period to which it relates. Notice of each Adjustable Term Rate shall be given by the Remarketing Agent to the Bond Registrar, the Tender Agent and the Authority by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Registrar shall inform the Owners of each Adjustable Term Rate determined by the Remarketing Agent upon request.

(4) Remarketing. The Adjustable Term Rate for each Adjustable Term Interest Period for the 2015 Variable Rate Parity Bonds of a Series shall be the rate of interest per annum borne by such 2015 Variable Rate Parity Bonds which shall be the lowest rate of interest that, in the judgment of the Remarketing Agent, would cause such 2015 Variable Rate Parity Bonds to have a price equal to the principal amount thereof plus accrued interest, if any, under prevailing market conditions as of the date of determination. Notwithstanding the foregoing and the provisions of Section 7(c) of this Appendix A, the Adjustable Term Rate for an Adjustable Term Interest Period for such 2015 Variable Rate Parity Bonds may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by such 2015 Variable Rate Parity Bonds, would enable the Remarketing Agent to sell such 2015 Variable Rate Parity Bonds on the date and at the time of such determination at a price which will result in the lowest

net interest cost for such 2015 Variable Rate Parity Bonds, after taking into account any premium or discount at which such 2015 Variable Rate Parity Bonds are sold by the Remarketing Agent, provided that in connection with selling such 2015 Variable Rate Parity Bonds at a premium or discount:

(A) The Remarketing Agent certifies to the Authority, the Bond Registrar and the Tender Agent, in a form acceptable to the Remarketing Agent and the Authority, that the sale of such 2015 Variable Rate Parity Bonds at the interest rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such 2015 Variable Rate Parity Bonds on the commencement date of the Adjustable Term Interest Period;

(B) The Authority consents in writing to the sale of such 2015 Variable Rate Parity Bonds by the Remarketing Agent at such premium or discount;

(C) In the case of 2015 Variable Rate Parity Bonds to be sold at a discount, the Authority agrees to transfer to the Tender Agent on the commencement date of such Adjustable Term Interest Period, in immediately available funds, for deposit in the Authority Purchase Account, an amount equal to such discount;

(D) On or before the date of the determination of the Adjustable Term Rate, the Authority causes to be delivered to the Bond Registrar and the Remarketing Agent notice that Bond Counsel expects to be able to give, on or before the commencement date of the Adjustable Term Interest Period, an Opinion of Bond Counsel to the effect that such Conversion of the interest rate will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for federal income tax purposes; and

(E) On or before the commencement date of the Adjustable Term Interest Period, the Authority causes to be delivered to the Bond Registrar and the Remarketing Agent an Opinion of Bond Counsel to the effect that such Conversion will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for federal income tax purposes.

(h) *Conversions to Interest Rate Modes other than Fixed Rate.* At the option of the Authority, the interest rate with respect to all (but not less than all) of the 2015 Variable Rate Parity Bonds of a Series (other than Fixed Rate Bonds) may be converted to a Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate, Index Floating Rate or Adjustable Term Rate as follows:

(1) Conversion Date. For 2015 Variable Rate Parity Bonds of a Series (other than Fixed Rate Bonds), the Conversion Date shall be the first day following the last day of an Interest Payment Period for the Interest Rate Mode from which the 2015 Variable Rate Parity Bonds of such Series are to be converted; provided, however, that for Long-Term Rate Bonds, Index Floating Rate Bonds or Adjustable Term Rate Bonds, such Conversion shall occur only on a date that such Long-Term Rate Bonds, Index Floating Rate Bonds or Adjustable Term Rate Bonds are subject to optional or mandatory purchase pursuant to this Appendix A. Interest shall accrue on such 2015 Variable Rate Parity Bonds at the new interest rate commencing on such Conversion Date, whether or not a Business Day. Any action required to be taken on such Conversion Date, if such day is not a Business Day, may be taken on the next succeeding Business Day as if it had occurred on such Conversion Date.

(2) Notice of Intent to Convert. The Authority shall give written notice of its intent to exercise its option to effect any such Conversion to the Remarketing Agent, the Tender Agent, the Bond Registrar, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, by Electronic Notice not fewer than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Bond Registrar is required to provide notice to the Owners. Such notice shall specify the proposed Conversion Date. If the Authority does not elect in a timely fashion to convert to a new Interest Rate Mode, the Interest Rate Mode then in effect shall continue until changed by timely notice.

If an Adjustable Term Rate is to be in effect immediately following such Conversion Date, such notice shall state (i) if applicable, each Par Call Date, and (ii) the date on which such Adjustable Term Rate Period shall end (which date shall be a Purchase Date or the Maturity Date). The Authority shall determine the date on which such Adjustable Term Rate Period shall end and shall provide notice in writing to the Remarketing Agent of such.

If an Index Floating Rate is to be in effect immediately following such Conversion Date, such notice shall state (i) whether such Index Floating Rate shall be a SIFMA Index Rate or a LIBOR Index Rate, (ii) the Applicable Spread to be in effect, (iii) if applicable, the Applicable Factor to be in effect, (iv) each Par Call Date, and (v) the date on which such Index Floating Rate Period shall end (which date shall be a Conversion Date or the Maturity Date). The Authority shall determine the Applicable Factor to be in effect and the date on which such Index Floating Rate Period shall end and shall provide notice in writing to the Remarketing Agent of such.

(3) Notice of Conversion and Mandatory Tender. For such 2015 Variable Rate Parity Bonds other than Short-Term Rate Bonds, not fewer than 15 days prior to the proposed Conversion Date, the Bond Registrar shall give Electronic Notice, confirmed by first class mail, of the Conversion and of the mandatory tender of such 2015 Variable Rate Parity Bonds to the Owners thereof at their addresses as they appear on the Bond Register as of the date notice of the election is received by the Bond Registrar from the Authority. The notice given pursuant to this paragraph shall set forth the information required by Section 6(e)(4) of this Appendix A.

(4) Opinion of Counsel. Any Conversion pursuant to this Section shall be subject to the conditions that, on or before the Conversion Date, the Authority shall have caused to be delivered to the Bond Registrar, the Remarketing Agent, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, with respect to the affected 2015 Variable Rate Parity Bonds, an Opinion of Bond Counsel to the effect that the Conversion is authorized by this Series Resolution and in the case of 2015 Variable Rate Parity Bonds that are Tax-Exempt Parity Bonds, that such Conversion will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for federal income tax purposes.

(5) Conditions to Conversion. Notwithstanding the Authority's delivery of notice of the exercise of its option to effect a Conversion pursuant to paragraph 2 of this Subsection 2(h), such Conversion shall not take effect if:

(A) the Authority withdraws such notice of the exercise of its option to effect Conversion not later than the Business Day preceding the date on which the interest rate at the new Interest Rate Mode is to be determined;

(B) the Calculation Agent or the Remarketing Agent, as applicable, fails to determine, when required, the interest rate for the new Interest Rate Mode;

(C) the notice to Owners of the 2015 Variable Rate Parity Bonds of such Series required by paragraph (3) of this Subsection 2(h) is not given when required;

(D) the Authority fails to deliver to the Bond Registrar, the Remarketing Agent, the applicable Liquidity Facility Provider and the applicable Credit Facility Provider the Opinion of Bond Counsel referred to in paragraph (4) of this Subsection 2(h).

(E) sufficient funds are not available by Noon (New York City time) on the Conversion Date to pay the Purchase Price for all of the 2015 Variable Rate Parity Bonds required to be purchased on such Conversion Date; or

(F) not all of the 2015 Variable Rate Parity Bonds of such Series are remarketed in the new Interest Rate Mode on the applicable Conversion Date.

In any of such events,

(A) the Conversion Date shall not occur, whether or not notice of the Conversion has been given to the Owners;

(B) such 2015 Variable Rate Parity Bonds:

(i) bearing interest at an Index Floating Rate or Adjustable Term Rate shall bear interest at the Delayed Remarketing Rate during a Delayed Remarketing Period;

(ii) bearing interest at a Daily Rate shall continue to bear interest at a Daily Rate determined as otherwise provided in Section 2(b) of this Appendix A;

(iii) bearing interest at a Weekly Rate shall continue to bear interest at a Weekly Rate determined as otherwise provided in Section 2(c) of this Appendix A;

(iv) bearing interest at a Short-Term Rate shall bear interest as determined in Section 2(d) of this Appendix A, until all such 2015 Variable Rate Parity Bonds have been remarketed;

(v) bearing interest at a Long-Term Rate shall bear interest as determined in Section 2(e) of this Appendix A, until all such 2015 Variable Rate Parity Bonds have been remarketed; and

(C) the mandatory tender of such 2015 Variable Rate Parity Bonds on the Conversion Date pursuant to Section 6(e) of this Appendix A shall not occur, whether or not notice of the Conversion has been given to the Owners thereof. Notice of withdrawal of a Conversion notice shall be given by the Authority to the Bond Registrar, the Remarketing Agent, the Tender Agent, the Calculation Agent, if any, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, by telephone, promptly confirmed in writing, and shall thereafter be promptly given to the Owners of such 2015 Variable Rate Parity Bonds (other than Long-Term Rate Bonds or Short-Term Rate Bonds) by the Bond Registrar by Electronic Notice, confirmed by first class mail.

(i) *Delayed Remarketing Rate.* During a Delayed Remarketing Period, the Remarketing Agent shall continue to remarket the Index Floating Rate Bonds of such Series or

Adjustable Term Rate Bonds of such Series. The Remarketing Agent shall provide notice to the Authority and the Bond Registrar no later than the Business Day after determining that all of the Index Floating Rate Bonds of such Series or Adjustable Term Rate Bonds of such Series can be remarketed. Upon receipt of such notice from the Remarketing Agent, the Authority shall direct the Bond Registrar to provide notice to the Owners of the Index Floating Rate Bonds of such Series or Adjustable Term Rate Bonds of such Series that such Index Floating Rate Bonds or Adjustable Term Rate Bonds shall be subject to mandatory tender on a Business Day no later than the Business Day following such notice to the Bond Registrar. The Bond Registrar shall give Electronic Notice, confirmed by first class mail, of the mandatory tender of the Index Floating Rate Bonds or the Adjustable Term Rate Bonds to the Owners of such Index Floating Rate Bonds or Adjustable Term Rate Bonds at their addresses as they appear on the Bond Register as of the date such direction is received by the Bond Registrar from the Authority. Such notice of mandatory tender shall include the information required under Subsection 2(h)(3) of this Appendix A.

During a Delayed Remarketing Period, the Index Floating Rate Bonds of such Series or Adjustable Term Rate Bonds of such Series shall continue to be subject to optional redemption by the Authority, and interest on the Index Floating Rate Bonds of such Series or Adjustable Term Rate Bonds of such Series shall continue to accrue and be payable on the applicable Interest Payment Dates and on the last day of the Delayed Remarketing Period. During a Delayed Remarketing Period, the Authority also may (i) in the case of Index Floating Rate Bonds, elect to convert the Index Floating Rate Bonds of such Series to a new Interest Rate Mode or may give notice of an Authority Elective Purchase Date or may redeem, or may purchase in lieu of redemption, all or a portion of the Index Floating Rate Bonds of such Series, as provided in this Appendix A; and (ii) in the case of Adjustable Term Rate Bonds, elect to convert the Adjustable Term Rate Bonds of such Series to a new Interest Rate Mode or may give notice of an Authority Elective Purchase Date or may redeem, or may purchase in lieu of redemption, all or a portion of the Adjustable Term Rate Bonds of such Series, as provided in this Appendix A.

### **Section 3. Fixed Rate Conversion at Option of the Authority**

(a) At the option of the Authority, all (but not less than all) of the 2015 Variable Rate Parity Bonds of a Series with interest payable at an Index Floating Rate, Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate or Adjustable Term Rate may be converted to bear interest accruing at a Fixed Rate to their maturity. Any such Conversion shall be made as follows:

(b) The Fixed Rate Conversion Date shall be the first day following an Interest Payment Period for such 2015 Variable Rate Parity Bonds in the then-current Interest Rate Mode; provided, however, that for Long-Term Rate Bonds, such Conversion shall occur only on a date that such Long-Term Rate Bonds and Adjustable Term Rate Bonds are subject to purchase pursuant to Section 6 of this Appendix A.

(c) The Authority shall give written notice of its intent to exercise its option to effect any such Conversion to (1) in all cases, the Bond Registrar, and each Rating Agency then maintaining a rating on such 2015 Variable Rate Parity Bonds and (2) in the case of Index Floating Rate Bonds, Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds, the Remarketing Agent, the Tender Agent, the Liquidity Facility Provider, if any, and Credit Facility Provider, if any, by Electronic Notice confirmed in writing not less than five days (or such shorter period as shall be acceptable to the applicable parties) prior to (A) the date on which the Bond Registrar is required to notify the Owners thereof of the Conversion pursuant to Section 2 of this Appendix A or (B) the Conversion Date (if such

2015 Variable Rate Parity Bonds are Short-Term Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds). Such notice shall specify the proposed Fixed Rate Conversion Date. Additionally, such notice shall confirm the appointment, subject to and in accordance with the requirements of this Series Resolution (including Section 7(b) of this Appendix A) of a qualified Remarketing Agent to act as Remarketing Agent in connection with the mandatory tender of such 2015 Variable Rate Parity Bonds by reason of such Conversion and the appointment, subject to and in accordance with this Series Resolution (including Section 6(b) of this Appendix A), of a qualified Tender Agent to act as Tender Agent in such connection; provided, however, that no such confirmation and no such appointments shall be required if such 2015 Variable Rate Parity Bonds are then Index Floating Rate Bonds, Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds and the Remarketing Agent and the Tender Agent then acting are obligated to perform their duties and responsibilities with respect to the mandatory tender of such 2015 Variable Rate Parity Bonds by reason of such Conversion.

(d) For 2015 Variable Rate Parity Bonds other than Short-Term Rate Bonds, Long-Term Rate Bonds, Index Floating Rate Bonds or Adjustable Term Rate Bonds, not fewer than 15 days prior to the proposed Fixed Rate Conversion Date, the Bond Registrar shall give Electronic Notice, confirmed by first class mail, of the Conversion and of mandatory tender of such 2015 Variable Rate Parity Bonds to the Owners thereof at their addresses as they appear on the Bond Register as of the date notice of the election is received by the Bond Registrar from the Authority. The notice shall set forth the information required by Section 6(e) of this Appendix A.

(e) All 2015 Variable Rate Parity Bonds of a Series shall have the same maturity date and bear interest at the same Fixed Rate on and after the Fixed Rate Conversion Date unless on the date the Remarketing Agent determines the Fixed Rate the Remarketing Agent also determines that such 2015 Variable Rate Parity Bonds would bear a lower effective net interest cost if such 2015 Variable Rate Parity Bonds were serial bonds or serial bonds and term bonds with the maturity (or Mandatory Sinking Account Payment) dates and principal amounts matching the Mandatory Sinking Account Payments, in which event such 2015 Variable Rate Parity Bonds shall become serial bonds or serial bonds and term bonds with such maturity (or Mandatory Sinking Account Payment) dates and principal amounts and shall bear separate Fixed Rates for each maturity. Notice of any mandatory sinking fund schedule shall be provided by the Remarketing Agent to the Bond Registrar. Except as provided under subsection (i), the Fixed Rate shall be the rate of interest per annum borne by such 2015 Variable Rate Parity Bonds on and after such Fixed Rate Conversion Date and shall be the lowest rate of interest that, in the judgment of the Remarketing Agent, would cause such 2015 Variable Rate Parity Bonds to have a price equal to the principal amount thereof plus accrued interest, if any, under prevailing market conditions as of the date of determination. Not later than 12:00 noon, New York City time, on the Business Day prior to the Conversion Date, the Remarketing Agent shall determine the Fixed Interest Rate for such 2015 Variable Rate Parity Bonds to be converted. Such determination shall be conclusive and binding upon the Authority, the Bond Registrar, the Remarketing Agent, Beneficial Owners and the Owners, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any. No later than 4:00 p.m., New York City time, on the date of determination of the Fixed Rate, the Remarketing Agent shall communicate the Fixed Rate by Electronic Notice to the Bond Registrar, the Authority, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, (in the case of Conversion of Index Floating Rate Bonds, Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds).

(f) Any Conversion pursuant to this Section shall be subject to the conditions that, on or before the Fixed Rate Conversion Date, the Authority shall have caused to be delivered to the Bond Registrar, the Remarketing Agent, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, an Opinion of Bond Counsel to the effect that the Conversion is authorized by this Series Resolution and in the case of 2015 Variable Rate Parity Bonds that are Tax-Exempt Parity Bonds, will not, in and of itself, cause interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners thereof for federal income tax purposes.

(g) Notwithstanding the Authority's delivery of notice of the exercise of its option to effect Conversion to a Fixed Rate pursuant to Section 3(c) of this Appendix A, such Conversion to the Fixed Rate shall not take effect if:

(1) the Authority withdraws such notice of Conversion not later than 10:00 a.m., New York City time, on the Business Day preceding the date on which the Fixed Rate is to be determined;

(2) the Remarketing Agent fails to determine the Fixed Rate;

(3) the notice to Owners required by Section 3(d) of this Appendix A is not given when required;

(4) the Authority fails to deliver to the Bond Registrar, the Remarketing Agent, the Liquidity Facility Provider, if any, or the Credit Facility Provider, if any, the Opinion of Bond Counsel referred to in Section 3(f) of this Appendix A; or

(5) sufficient funds are not available, by Noon (New York City time), on the Fixed Rate Conversion Date to purchase all 2015 Variable Rate Parity Bonds required to be purchased on the Fixed Rate Conversion Date.

In any of such events,

(A) the Conversion Date shall not occur, whether or not notice of the Conversion has been given to the Owners,

(B) such 2015 Variable Rate Parity Bonds:

(i) bearing interest at an Index Floating Rate or Adjustable Term Rate shall bear interest at the Delayed Remarketing Rate during a Delayed Remarketing Period;

(ii) bearing interest at a Daily Rate shall continue to bear interest at a Daily Rate determined as otherwise provided in Section 2(b) of this Appendix A;

(iii) bearing interest at a Weekly Rate shall continue to bear interest at a Weekly Rate determined as otherwise provided in Section 2(c) of this Appendix A;

(iv) bearing interest at a Short-Term Rate shall bear interest as determined in Section 2(d) until all such 2015 Variable Rate Parity Bonds have been remarketed;

(v) bearing interest at a Long-Term Rate shall bear interest as determined in Section 2(e) of this Appendix A until all such 2015 Variable Rate Parity Bonds of such Series have been remarketed; and

(C) the mandatory tender of such 2015 Variable Rate Parity Bonds on the Conversion Date shall not occur, whether or not notice of the Conversion has been given to the Owners of the 2015 Variable Rate Parity Bonds of such Series.

(h) Notice of withdrawal of a Conversion notice shall be given by the Authority to the Bond Registrar, the Remarketing Agent, the Tender Agent, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, by telephone, promptly confirmed in writing, and shall thereafter be promptly given to the Owners of such 2015 Variable Rate Parity Bonds (other than Short-Term Rate Bonds or Long-Term Rate Bonds) by the Bond Registrar by Electronic Notice, confirmed by first class mail.

(i) Notwithstanding the foregoing and any other provisions of this Appendix A, the Fixed Rate for the 2015 Variable Rate Parity Bonds of a Series may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by such 2015 Variable Rate Parity Bonds, would enable the Remarketing Agent to sell such 2015 Variable Rate Parity Bonds on the date and at the time of such determination at a price which will result in the lowest net interest cost for such 2015 Variable Rate Parity Bonds, after taking into account any premium or discount at which the 2015 Variable Rate Parity Bonds are sold by the Remarketing Agent, provided that in connection with selling such 2015 Variable Rate Parity Bonds at a premium or discount:

(1) The Authority consents in writing to the sale of such 2015 Variable Rate Parity Bonds by the Remarketing Agent at such premium or discount;

(2) In the case of 2015 Variable Rate Parity Bonds to be sold at a discount, the Authority agrees to transfer to the Tender Agent on the Fixed Rate Conversion Date, in immediately available funds, for deposit in the Authority Purchase Account, an amount equal to such discount;

(3) In the case of 2015 Variable Rate Parity Bonds to be sold at a premium, the Remarketing Agent shall transfer to the Bond Registrar for deposit in the Bond Fund an amount equal to such premium;

(4) On or before the date of the determination of the Fixed Rate, the Authority causes to be delivered to the Bond Registrar, the Authority, and the Remarketing Agent notice that Bond Counsel expects to be able to give an Opinion of Bond Counsel to the effect that such determination of the interest rate will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for federal income tax purposes; and

(5) On or before the Fixed Rate Conversion Date, the Authority causes to be delivered to the Bond Registrar and the Remarketing Agent an Opinion of Bond Counsel to the effect that such determination of the Fixed Rate will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for federal income tax purposes.

If any Fixed Rate Bond shall be duly presented for payment and funds have not been duly provided by the Authority on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal amount thereof at the rate provided for in such Fixed Rate Bond until it is paid.

**Section 4. Bank Bonds.** Notwithstanding anything in this Series Resolution to the contrary, (a) each Bank Bond shall bear interest on the outstanding principal amount thereof at the Bank Rate applicable to such Bank Bond in accordance with the Liquidity Facility or the Liquidity Facility Agreement relating to such Bank Bond (as calculated by the Liquidity Provider with respect to such Liquidity Facility in accordance with such Liquidity Facility or such Liquidity Facility Agreement and advised by such Liquidity Provider to the Bond Registrar) for each day from and including the day such Bank Bond becomes a Bank Bond to but excluding the day such Bank Bond ceases to be a Bank Bond (as hereinafter described) or is paid in full or is surrendered to the Bond Registrar for cancellation, (b) interest on each Bank Bond shall be calculated on the basis of a 365-day year or a 360-day year, as applicable to the Bank Rate, in accordance with the Liquidity Facility or the Liquidity Facility Agreement relating to such Bank Bond and the actual number of days elapsed, and (c) interest on each Bank Bond shall be payable on such dates as are specified in the Liquidity Facility or the Liquidity Facility Agreement relating to such Bank Bond (each such date an "Interest Payment Date" for such Bank Bond). A Bank Bond shall cease to be a Bank Bond only (1) if such Bank Bond is remarketed and transferred or otherwise released by the Tender Agent upon authorization of the Liquidity Provider with respect to the Liquidity Facility relating to such Bank Bond, or (2) if such Bank Bond otherwise ceases to be a Bank Bond in accordance with the terms of the Liquidity Facility or the Liquidity Facility Agreement relating to such Bank Bond (it being acknowledged and agreed that it shall be presumed for all purposes of this Series Resolution that each Bank Bond shall cease to be a Bank Bond pursuant to this clause (2) only if the Authority, the Remarketing Agent, the Tender Agent and the Bond Registrar have received written notice to that effect from the Liquidity Provider with respect to the Liquidity Facility). Subject to the effectiveness of a book-entry system with respect to the 2015 Variable Rate Parity Bonds, payment of interest on Bank Bonds due on any Interest Payment Date therefor shall be made by the Bond Registrar by wire transfer of immediately available funds to the Liquidity Provider with respect to the Liquidity Facility, in accordance with the payment instructions for such Liquidity Provider set forth in such Liquidity Facility or the related Liquidity Facility Agreement or in accordance with such other payment instructions as shall be furnished to the Bond Registrar by such Liquidity Provider for such purpose. If all 2015 Variable Rate Parity Bonds of a Series are Bank Bonds, then payments of interest on Bank Bonds with respect to which a book-entry system is in effect, for the purposes of such book-entry system, shall be in the amounts determined on the terms of the Bank Rate applicable to the respective Bank Bonds and on the Interest Payment Dates with respect thereto, without supplement as provided in the succeeding paragraphs of this Section.

If an Interest Payment Date for any Bank Bonds occurs on a date which would not be an Interest Payment Date for such Bank Bonds if such Bank Bonds were not Bank Bonds (e.g., the date of remarketing of such Bank Bonds), then the Authority shall pay to the Liquidity Provider, or the Authority shall instruct the Bond Registrar to withdraw from the Bond Fund and pay to the Liquidity Provider (in either case, by wire transfer as provided above), the full amount of the interest due on such Bank Bonds on such Interest Payment Date, calculated at the Bank Rate and on the basis of a 365-day year or a 360-day year, as applicable to such Bank Rate in accordance with the Liquidity Facility or the Liquidity Facility Agreement relating to such Bank Bonds, and the actual number of days elapsed.

If any 2015 Variable Rate Parity Bonds shall be Bank Bonds on an Interest Payment Date for such 2015 Variable Rate Parity Bonds, then, except if all 2015 Variable Rate Parity Bonds of such Series are Bank Bonds, the Authority shall pay to the Liquidity Provider, or the Authority shall instruct the Bond Registrar to withdraw from the Bond Fund and pay to the Liquidity Provider (in either case, by wire transfer as provided above), the amount of the difference between (a) interest due on such Bank Bonds on such Interest Payment Date, calculated at the Bank Rate

and on the basis of a 365-day year or a 360-day year, as applicable to such Bank Rate in accordance with the Liquidity Facility or the Liquidity Facility Agreement and the actual number of days elapsed, and (b) interest that would be due on such Bank Bonds on such Interest Payment Date if such Bank Bonds were not Bank Bonds.

**Section 5. Redemption of 2015 Variable Rate Parity Bonds.**

(a) *Index Floating Rate Period.* Unless otherwise provided in the Bond Purchase Contract, the Remarketing Agreement or as determined by the Remarketing Agent in connection with the remarketing of the Index Floating Rate Bonds of a Series at 100 percent of the principal amount thereof, the Index Floating Rate Bonds of such Series shall be subject to redemption at the option of the Authority, on any Par Call Date, in whole or in part, in the amounts designated by the Designated Authority Representative, at a redemption price equal to 100 percent of the principal amount of the Index Floating Rate Bonds of such Series to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

(b) *Daily Rate Bonds.* The Daily Rate Bonds of a Series are subject to redemption prior to their respective stated maturities by the Authority on any Business Day, in whole or in part in such amounts as are designated by the Designated Authority Representative at a redemption price equal to the principal amount of the Daily Rate Bonds of such Series called for redemption, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(c) *Weekly Rate Bonds.* The Weekly Rate Bonds of a Series are subject to redemption prior to their respective stated maturities by the Authority on any Business Day, in whole or in part in such amounts as are designated by the Designated Authority Representative at a redemption price equal to the principal amount of the Weekly Rate Bonds of such Series called for redemption, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(d) *Short-Term Rate Bonds.* The Short-Term Rate Bonds of a Series are subject to redemption prior to their respective stated maturities, by the Authority on any Interest Payment Date for such Short-Term Rate Bonds, in whole or in part in such amounts as are designated by the Designated Authority Representative at a redemption price equal to the principal amount of the Short-Term Bonds of such Series called for redemption, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(e) *Long-Term Rate Bonds and Fixed Rate Bonds.* Long-Term Rate Bonds of a Series are subject to redemption by the Authority on any Purchase Date therefor, and Long-Term Rate Bonds of a Series and Fixed Rate Bonds of a Series are subject to redemption by the Authority on any date after expiration of the applicable call protection period described below, as a whole or in part in such amounts and in such maturities as are designated by the Designated Authority Representative at a redemption price equal to 100 percent of the principal amount of the Long-Term Rate Bonds of a Series or Fixed Rate Bonds of a Series, as applicable, called for redemption, plus accrued interest therein, if any, to the date fixed for redemption, without premium.

**Length of Long-Term Rate Period  
or Years Remaining to Maturity as  
of Fixed Rate Conversion Date**

**Initial Redemption Dates  
(Anniversary of Fixed Rate Conversion  
Date or Long-Term Conversion Date)**

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Equal to or less than 5 years (or as set forth in the Bond Purchase Contract)

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Not subject to optional redemption

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Greater than 5 years (or as set forth in the Bond Purchase Contract)

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5th (or such other) anniversary

The foregoing notwithstanding, if the Authority delivers to the Bond Registrar and the Remarketing Agent prior to any Conversion Date or Purchase Date for 2015 Variable Rate Parity Bonds of a Series that are Long-Term Rate Bonds or that are being converted to Fixed Rate Bonds (1) a notice containing alternative call protection or redemption periods and/or redemption prices for Long-Term Rate Bonds or Fixed Rate Bonds of such Series or converting mandatory sinking fund redemption dates and amounts to serial maturity dates and amounts (or *vice versa*) and (2) if the 2015 Variable Rate Parity Bonds of such Series are Tax-Exempt Parity Bonds, an Opinion of Bond Counsel addressed to the Bond Registrar and the Remarketing Agent to the effect that such modifications will not, in and of themselves, cause the interest on such Long-Term Rate Bonds or Fixed Rate Bonds, as applicable, to be includable in the gross income of Owners for purposes of federal income taxation, then on and after such Conversion Date, such Long-Term Rate Bonds or Fixed Rate Bonds, as applicable, shall be subject to redemption by the Authority and/or shall mature pursuant to the alternative redemption provisions and/or maturity schedule set forth in that notice, and this Subsection 5(d) shall be deemed to be modified as set forth in such notice.

(f) *Adjustable Term Rate Period.* Unless otherwise provided in the Bond Purchase Contract, Remarketing Agreement or as determined by the Remarketing Agent in connection with the remarketing of the Adjustable Term Rate Bonds of a Series, Adjustable Term Rate Bonds of a Series shall be subject to redemption at the option of the Authority, on any Par Call Date, in whole or in part, in the amounts designated by the Designated Authority Representative, at a redemption price equal to 100 percent of the principal amount of the Adjustable Term Rate Bonds of such Series to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

(g) *Bank Bond Optional Redemption.* Bank Bonds of a Series are subject to optional redemption under and in accordance with Section 5(a) of this Series Resolution and Section 5 of this Appendix A and in such connection, and notwithstanding anything to the contrary in this Series Resolution (including this Appendix A), Bank Bonds of a Series shall be selected for redemption pursuant to such Sections prior to the selection of other 2015 Variable Rate Parity Bonds of such Series for redemption.

(h) *Bank Bond Mandatory Redemption.* Bank Bonds are subject to special mandatory redemption by the Authority, in whole or in part, on any date, at a redemption price equal to 100 percent of the principal amount of the Bank Bonds to be redeemed, plus accrued and unpaid interest thereon (at the Bank Rate) to the date fixed for redemption, on the dates, in the amounts and in the manner set forth in the Liquidity Facility or the related Liquidity Facility Agreement.

(i) *Rights of Credit Facility Provider.* At any time a Credit Facility is in effect, the 2015 Variable Rate Parity Bonds secured by such Credit Facility shall not be optionally redeemed

pursuant to this Section 5 unless the Authority has obtained the prior written consent of the Credit Facility Provider or has deposited with the Bond Registrar at least one Business Day prior to the day fixed for such redemption, an amount sufficient to reimburse the Credit Facility Provider for moneys to be drawn to redeem such 2015 Variable Rate Parity Bonds. So long as a Credit Facility is in effect, the redemption price of such 2015 Variable Rate Parity Bonds optionally redeemed pursuant to Section 5 hereof shall be paid from the proceeds of a draw made under such Credit Facility; provided, however, that if the notice of optional redemption was not a conditional notice (or if the Authority otherwise agrees to redeem such Bonds) and if the Credit Facility Provider fails to honor such drawing, the amount provided by the Authority to the Bond Registrar for such purpose shall be applied to redeem such 2015 Variable Rate Parity Bonds on the date fixed for redemption.

(j) *Selection of 2015 Variable Rate Parity Bonds for Redemption.* Whenever provision is made in this Series Resolution for the redemption of less than all of the 2015 Variable Rate Parity Bonds of a Series, the Bond Registrar, as directed by the Designated Authority Representative, in writing, shall select the maturities to be redeemed, provided, that, with respect to Index Floating Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds selected for redemption, such Index Floating Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds shall be redeemed in the following order of priority (and in any manner which the Bond Registrar shall deem appropriate and fair within each priority other than the last priority, within which the Designated Authority Representative shall direct the manner of selection):

First: any such 2015 Variable Rate Parity Bonds which are Bank Bonds; and

Second: any such 2015 Variable Rate Parity Bonds which have been tendered to the Tender Agent for purchase, and are then registered in the name or for the account of the Tender Agent, on or prior to the date fixed for redemption; and

Third: any other 2015 Variable Rate Parity Bonds of such Series.

The Bond Registrar shall promptly notify the Authority in writing of the 2015 Variable Rate Parity Bonds of such Series or portions thereof so selected for redemption.

Whenever fewer than all the Outstanding 2015 Variable Rate Parity Bonds of a Series and maturity are to be redeemed, the 2015 Variable Rate Parity Bonds within such Series and maturity shall be selected in accordance with the operational arrangements of DTC then in effect (or, in the event such 2015 Variable Rate Parity Bonds are no longer in book-entry only form, randomly by the Bond Registrar) and the Authority may apply the portion of such 2015 Variable Rate Parity Bonds redeemed to the mandatory redemption schedule, if any, in the manner designated by the Designated Authority Representative.

(k) *Notice of Redemption.* Each notice of redemption shall state (1) the 2015 Variable Rate Parity Bonds of a Series or portions thereof which are to be redeemed, (2) the date fixed for redemption, (3) the place or places where the redemption will be made, including the name and address of the Bond Registrar, (4) the Redemption Price, (5) the CUSIP numbers, if any, assigned to the 2015 Variable Rate Parity Bonds to be redeemed, (6) in case of any the 2015 Variable Rate Parity Bonds of a Series to be redeemed in part only, the amount of the 2015 Variable Rate Parity Bonds of such Series to be redeemed, (7) the original dated date, interest rate (in the case of Fixed Rate Bonds), and stated maturity date of each 2015 Variable Rate Parity Bond of such Series to be redeemed and (8) if funds shall not be irrevocably deposited with the Bond Registrar to pay the redemption price of the 2015 Variable Rate Parity Bonds of such Series to be redeemed

plus interest accrued thereon (if any) to the date fixed for redemption on or prior to the date that the redemption notice is first given as aforesaid, such notice shall state that any optional redemption is conditional on such funds being deposited with the Bond Registrar on the date fixed for redemption. Each such notice shall also (a) state that if, on the date fixed for redemption, the Bond Registrar holds sufficient moneys therefor, then, on the date fixed for redemption, the redemption price of such 2015 Variable Rate Parity Bonds to be redeemed, plus interest accrued thereon (if any) to the date fixed for redemption, shall become due and payable and that from and after said date, interest on such 2015 Variable Rate Parity Bonds shall cease to accrue and be payable, and (b) require that on said date such 2015 Variable Rate Parity Bonds shall be surrendered.

The Bond Registrar shall take the following actions with respect to such notice of redemption:

(1) At least 15 days (or such minimum period as shall be required at the time by DTC) or five days during a Delayed Remarketing Period, but not more than 60 days, prior to the date fixed for redemption, such notice shall be given to the respective Owners of the 2015 Variable Rate Parity Bonds designated for redemption by Electronic Notice, confirmed by first class mail, postage prepaid, at their addresses appearing on the Bond Register as of the close of business on the day before such notice is given; provided that failure of the Bond Registrar to give such notice to any Owner or any defect in such notice shall not affect the validity of the redemption of any other 2015 Variable Rate Parity Bonds; and provided further, however, that if the Index Floating Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds or Adjustable Term Rate Bonds are Bank Bonds, notice of redemption of such Bank Bonds shall be given not less than one (1) Business Day prior to the date fixed for redemption therefor, and such notice may be given telephonically or by Electronic Notice. Notwithstanding anything to the contrary contained herein, in the event all of the 2015 Variable Rate Parity Bonds of a Series to be redeemed are held in book-entry form, the notice shall be made by Electronic Notice and the notice period required pursuant to this Section 5 may be less than 15 days prior to the date fixed for redemption, as applicable, provided such notice period complies with the operational guidelines of DTC in effect 20 days prior to the date of the scheduled redemption.

(2) The Bond Registrar, if requested by the Authority, also shall give notice of redemption by Electronic Notice to any securities depositories and/or securities information services as shall be designated by the Designated Authority Representative.

The Designated Authority Representative may instruct the Bond Registrar to provide conditional notice of any optional redemption which may be conditioned upon the receipt of moneys or any other event. The Bond Registrar shall rescind any redemption for which conditional notice has been given as soon as practicable by notice of rescission if directed to do so by the Designated Authority Representative prior to the date of redemption. The Bond Registrar shall give notice of rescission by the same means as is provided for the giving of a notice of redemption. The redemption shall be deemed canceled once the Bond Registrar has given notice of rescission.

#### **Section 6. Tender and Purchase of 2015 Variable Rate Parity Bonds.**

(a) The Tender Agent. The Bond Registrar is hereby appointed by the Authority as the initial Tender Agent for the 2015 Variable Rate Parity Bonds. The Tender Agent shall designate its corporate office, and any Tender Agent other than the Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of

acceptance delivered to the Authority, the Bond Registrar and the Liquidity Facility Provider, if any, under which the Tender Agent will agree, particularly:

(1) To hold all Index Floating Rate Bonds, Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds and Adjustable Term Rate Bonds delivered to it for purchase hereunder as agent and bailee of and in escrow for the benefit of, the respective Owners which shall have so delivered such 2015 Variable Rate Parity Bonds until moneys representing the Purchase Price of such 2015 Variable Rate Parity Bonds shall have been delivered to or for the account of or to the order of such Owners;

(2) To hold all moneys, other than proceeds of drawings under the Liquidity Facility, delivered to it hereunder for the purchase of 2015 Variable Rate Parity Bonds as agent and bailee of, and in escrow for the exclusive benefit of, the person or entity which shall have so delivered such moneys until the 2015 Variable Rate Parity Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;

(3) To hold all moneys delivered to it hereunder from drawings under any Liquidity Facility for the purchase of Index Floating Rate Bonds, Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds, Long-Term Rate Bonds and Adjustable Term Rate Bonds as agent and bailee of, and in escrow for the exclusive benefit of, the Owners who shall deliver 2015 Variable Rate Parity Bonds to it for purchase until the 2015 Variable Rate Parity Bonds purchased with such moneys shall have been delivered to or for the account of the Liquidity Facility Provider, if any;

(4) To keep such books and records as shall be consistent with prudent industry practice and, upon reasonable advance notice, to make such books and records available for inspection by the Authority, the Bond Registrar, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any; and

(5) To perform the foregoing duties and obligations subject to and in accordance with the provisions of this Series Resolution relating thereto and to perform such other duties and responsibilities (including, without limitation, with respect to the Purchase Fund) as are provided in this Series Resolution to be performed by the Tender Agent.

The Tender Agent in performing its duties as set forth herein shall have the rights and immunities including, but not limited to, exculpations and indemnifications, of the Bond Registrar as set forth in this Series Resolution to the same extent and as fully for all intents and purposes as though such rights and immunities had been set forth at length with respect to the Tender Agent.

(b) Qualifications of Tender Agent.

(1) The Tender Agent shall be duly organized under the laws of the United States of America or any state or territory thereof and be (A) a commercial bank and trust company or (B) a national banking association, have a combined capital stock, surplus and undivided profits of at least Fifty Million Dollars (\$50,000,000) and be authorized by law to perform all duties imposed upon it by this Series Resolution. At all times at which the 2015 Variable Rate Parity Bonds are not held in book-entry only form, the Tender Agent shall have an office or agency in New York, New York. The Tender Agent may at any time resign and be discharged of the duties and obligations created by this Series Resolution by giving at least 60 days' notice to the Authority, the Bond Registrar, the Liquidity Facility Provider, if any, and the Remarketing Agent,

provided that such resignation shall not take effect until the appointment and acceptance of a successor Tender Agent. The Tender Agent may be removed at any time by the Authority upon written notice to the Tender Agent, the Bond Registrar, each Liquidity Facility Provider, if any, and each Remarketing Agent, provided that such removal shall not take effect until the appointment of, and the acceptance of appointment by, a successor Tender Agent. Successor Tender Agents may be appointed from time to time by the Authority and with the written approval of each Liquidity Facility Provider, if any, such approval not to be unreasonably withheld.

(2) If no successor Tender Agent shall have been appointed and have accepted appointment within 30 days of the giving notice of resignation or notice of removal as aforesaid, the Authority may appoint, with the prior written approval of the Liquidity Facility Provider, if any, (such approval not to be unreasonably withheld), a successor Tender Agent to act until a successor Tender Agent is appointed pursuant to the foregoing provisions of this Section.

(3) If no appointment of a successor Tender Agent shall have been made pursuant to the foregoing provisions of this Section, the Tender Agent resigning or being removed or any Owner of the 2015 Variable Rate Parity Bonds (on behalf of itself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Tender Agent, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Tender Agent.

(4) Any successor Tender Agent appointed under this Series Resolution shall signify its acceptance of such appointment by executing and delivering to the Authority, the Bond Registrar, the Liquidity Facility Provider, if any, the Remarketing Agent and to its predecessor Tender Agent a written acceptance thereof, and thereupon (A) the successor Tender Agent, without further act, deed or conveyance, shall become vested with all the monies, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Tender Agent, with like effect as if originally named Tender Agent herein, and (B) the predecessor Tender Agent shall pay over, transfer, assign and deliver to the successor Tender Agent all the right, title and interest of the Tender Agent in and to all money and all other property (including, without limitation, Bank Bonds) held by the Tender Agent subject to and in accordance with this Series Resolution; but nevertheless at the request of the Authority, the successor Tender Agent, any Remarketing Agent or the Liquidity Facility Provider, the predecessor Tender Agent shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to the successor Tender Agent all the right, title and interest of the predecessor Tender Agent in and to all money and all other property (including, without limitation, Bank Bonds) held by it under this Series Resolution. Upon request of the successor Tender Agent, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to the successor Tender Agent all money, estates, properties, rights, powers, trusts, duties and obligations of the predecessor Tender Agent. Upon acceptance by a successor Tender Agent as provided in this subsection, the Authority shall give notice of the succession of such Tender Agent by Electronic Notice, confirmed by first class mail, to the Owners at the addresses shown on the Bond Register. If the Authority fails to deliver such notice within 15 days after the acceptance of appointment by the successor Tender Agent, the Bond Registrar shall cause such notice to be delivered to such Owners within 30 days of such acceptance at the expense of the Authority.

(5) Any entity into which the Tender Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any entity to which the Tender Agent may sell or

transfer all or substantially all of its trust or trust-related business, provided such Person shall be eligible under Section 6(b) of this Appendix A, shall be the successor to such Tender Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. Upon any such merger, consolidation or sale, the successor Tender Agent shall notify the Authority, the Remarketing Agent, the Bond Registrar and the Liquidity Facility Provider and, thereafter, shall deliver to the Owners of all Outstanding 2015 Variable Rate Parity Bonds at the addresses appearing on the Bond Register notice of the succession of such Tender Agent to the duties of the Tender Agent hereunder.

(c) Optional Tenders During Daily Rate Periods and Weekly Rate Periods.

(1) Owners of Daily Rate Bonds or Weekly Rate Bonds, as applicable, may elect to have their Daily Rate Bonds or Weekly Rate Bonds, or portions thereof in amounts equal to Authorized Denominations, purchased at the Purchase Price on the following Purchase Dates and upon the giving of the following Electronic Notice or written notice meeting the further requirements set forth in Subsection (c)(2) below:

(A) Daily Rate Bonds may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon Electronic Notice or written notice of tender to the Tender Agent and the Remarketing Agent not later than 11:00 a.m., New York City time, on the designated Purchase Date.

(B) Weekly Rate Bonds may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of a written notice of tender to the Tender Agent and the Remarketing Agent not later than 5:00 p.m., New York City time, on a Business Day not fewer than seven days prior to the designated Purchase Date.

(2) Each notice of tender:

(A) Shall, in case of a written notice, be delivered to the Tender Agent and the Remarketing Agent at their respective designated corporate offices and be in form satisfactory to the Tender Agent and the Remarketing Agent;

(B) Shall state, whether delivered in writing or by Electronic Notice, (i) the principal amount of the Daily Rate Bond or Weekly Rate Bond, as applicable, to which the notice relates and the CUSIP number of such Daily Rate Bond or Weekly Rate Bond, as applicable, (ii) that the Owner irrevocably demands purchase of such Daily Rate Bond or Weekly Rate Bond, as applicable, or a specified portion thereof in an Authorized Denomination, (iii) the Purchase Date on which such Daily Rate Bond or Weekly Rate Bond, as applicable, or portion thereof is to be purchased and (iv) payment instructions with respect to the Purchase Price; and

(C) Shall automatically constitute, whether delivered in writing or by Electronic Notice, (i) an irrevocable offer to sell the Daily Rate Bond or Weekly Rate Bond, as applicable, (or portion thereof) to which such notice relates on the Purchase Date, to any purchaser selected by the Remarketing Agent, at a price equal to the Purchase Price, (ii) an irrevocable authorization and instruction to the Tender Agent to effect transfer of such Daily Rate Bond or Weekly Rate Bond, as applicable, (or portion thereof) upon receipt by the Tender Agent of funds sufficient to pay the Purchase Price thereof on the Purchase Date, (iii) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Daily Rate Bond or Weekly Rate Bond, as applicable, to be purchased in whole or in part for other Daily Rate Bond

or Weekly Rate Bond, as applicable, in an equal aggregate principal amount so as to facilitate the sale of such Daily Rate Bond or Weekly Rate Bond, as applicable, (or portion thereof to be purchased), and (iv) an acknowledgment that such Owner will have no further rights with respect to such Daily Rate Bond or Weekly Rate Bond, as applicable, (or portion thereof) upon deposit of an amount equal to the Purchase Price thereof with the Tender Agent on the Purchase Date, except for the right of such Owner to receive such Purchase Price upon surrender of such Daily Rate Bond or Weekly Rate Bond, as applicable, to the Tender Agent.

The determination of the Tender Agent and the Remarketing Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Owner. The Tender Agent or the Remarketing Agent may waive any irregularity or nonconformity in any notice of tender.

(3) The right of Owners to tender Daily Rate Bonds or Weekly Rate Bonds, as applicable, for purchase pursuant to this Section shall terminate upon a Conversion Date with respect to such Daily Rate Bond or Weekly Rate Bond, as applicable, to an Interest Rate Mode that is not a Daily Rate Period or Weekly Rate Period.

(4) Notwithstanding anything to the contrary herein, all Daily Rate Bonds or Weekly Rate Bonds, as applicable, as to which Electronic Notice or written notice specifying the Purchase Date has been delivered pursuant to this Subsection (c) (and which have not been tendered to the Tender Agent) shall be deemed tendered on the Purchase Date specified. From and after the specified Purchase Date of a Daily Rate Bond or Weekly Rate Bond, as applicable, tendered to the Tender Agent or deemed tendered pursuant to this Subsection (c), the former Owner of such Daily Rate Bond or Weekly Rate Bond, as applicable, shall be entitled solely to the payment of the Purchase Price of such Daily Rate Bond or Weekly Rate Bond, as applicable, tendered or deemed tendered, and no interest shall accrue thereon after the Purchase Date specified in such notice.

(5) The Tender Agent shall promptly return any notice of tender delivered pursuant to this Subsection (c) (together with the Daily Rate Bond or Weekly Rate Bond, as applicable, submitted therewith) that is incomplete or improperly completed or not delivered within the times required by this Subsection (c) to the Person or Persons submitting such notice and Daily Rate Bond or Weekly Rate Bond, as applicable, upon surrender of the receipt, if any, issued therefor.

(d) Purchase of 2015 Variable Rate Parity Bonds by Tender Agent.

(1) If the 2015 Variable Rate Parity Bonds of a Series are in a Daily Rate Period or a Weekly Rate Period, the Tender Agent shall establish a special trust fund to be designated the "Purchase Fund;" and, within the Purchase Fund, the Tender Agent shall establish four separate accounts to be designated the "Remarketing Account," the "Liquidity Account," the "Authority Purchase Account" and the "Undelivered Bond Payment Account." Only the Tender Agent shall have any right of withdrawal from the Purchase Fund; and the Purchase Fund and such right of withdrawal shall be for the sole and exclusive benefit of the Owners of the Bonds subject to purchase on Purchase Dates (and the Liquidity Facility Provider, to the extent provided required to reimburse the Liquidity Provider; and the Authority shall have no legal, beneficial or equitable interest in the Purchase Fund. Amounts on deposit in the Purchase Fund shall be held uninvested and without bearing interest. Amounts in the Purchase Fund shall not be commingled with amounts in the purchase funds for any other series of bonds of the Authority; and amounts in a particular account of the Purchase Fund shall not be commingled with amounts in any other

account of the Purchase Fund. Any moneys received by the Tender Agent by reason of the remarketing by the Remarketing Agent subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Remarketing Account of the Purchase Fund and applied by the Tender Agent to pay the purchase price of 2015 Variable Rate Parity Bonds if such Series or to reimburse the Liquidity Provider for the payment thereof in accordance with Section 8 of this Appendix A. Any moneys received by the Tender Agent representing amounts paid by the Liquidity Facility Provider, under the Liquidity Facility, for the purchase or for the provision of funds for the purchase of 2015 Variable Rate Parity Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Liquidity Account of the Purchase Fund with respect to such 2015 Variable Rate Parity Bonds and applied by the Tender Agent in accordance with Section 8 of this Appendix A.

Any moneys received by the Tender Agent representing amounts paid by the Authority for the purchase of such 2015 Variable Rate Parity Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Authority Purchase Account of the Purchase Fund and applied by the Tender Agent to pay or to reimburse the Liquidity Provider for the payment of the Purchase Price, as applicable, of such 2015 Variable Rate Parity Bonds in accordance with Section 8 of this Appendix A. Notwithstanding anything to the contrary contained herein, the Tender Agent shall not draw upon the Liquidity Facility in connection with paying the Purchase Price of the 2015 Variable Rate Parity Bonds held by the Authority or Bank Bonds. Moneys shall be transferred to the Undelivered Bond Payment Account of the Purchase Fund from the other accounts of such Purchase Fund or to the Liquidity Facility Provider, in accordance with Section 6(d)(5) of this Appendix A; and moneys shall be applied from the Undelivered Bond Payment Account of the Purchase Fund in accordance with Section 6(d)(5) of this Appendix A.

(2) Upon:

(A) Receipt of any Electronic Notice or written notice of tender relating to Daily Rate Bonds, the Tender Agent shall notify the Authority, the Remarketing Agent and the Liquidity Facility Provider by telephonic notice of the amount of such Daily Rate Bonds to be tendered pursuant to such notice and the Tender Agent shall confirm such telephonic notice by Electronic Notice by 11:15 a.m., New York City time, on the Purchase Date, including in such telephonic notice and the confirmation thereof the amount of the Purchase Price of such Daily Rate Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Daily Rate Bonds to the Purchase Date;

(B) Receipt of any Electronic Notice or written notice of tender relating to Weekly Rate Bonds, the Tender Agent shall, not later than 5:00 p.m., New York City time, on the next Business Day, send notice of such tender to the Authority, the Remarketing Agent and the Liquidity Facility Provider, if any, by Electronic Notice, including in such notice the amount of the Purchase Price of such Weekly Rate Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Weekly Rate Bonds to the Purchase Date;

Simultaneously with the giving of notice of any mandatory tender of Daily Rate Bonds or Weekly Rate Bonds, as applicable, pursuant to Section 6(e) of this Appendix A, the Bond Registrar shall give notice by telephone or Electronic Notice, promptly confirmed by a written notice, to the Tender Agent, the Remarketing Agent and the Liquidity Facility Provider, if any, specifying the applicable Purchase Date, the aggregate principal amount and Purchase Price of Daily Rate or Weekly Rate Bonds subject to mandatory tender on such Purchase Date, and the portion, if any, of such Purchase Price representing accrued and unpaid interest on such Daily Rate or Weekly Rate Bonds to such Purchase Date.

(3) Not later than Noon, New York City time, on each Purchase Date (or such earlier time as may be required to effect a Liquidity Facility Request as provided in the following paragraph (A)) by the Liquidity Facility Provider, the Tender Agent shall determine the amount, if any, by which the Purchase Price of the Daily Rate or Weekly Rate Bonds to be purchased on such Purchase Date exceeds the amount of the proceeds of the remarketing of such Bonds by the Remarketing Agent on deposit in the Remarketing Account of the Purchase Fund at such time; and

(A) If a Liquidity Facility is in effect on such Purchase Date, then (i) not later than 12:15 p.m., New York City time, on such Purchase Date, the Tender Agent shall request (such request being referred to as a “Liquidity Facility Request”) the purchase by the Liquidity Facility Provider under the Liquidity Facility, or the funding by the Liquidity Facility Provider under the Liquidity Facility of moneys for the purchase, of unremarketed Bonds having a Purchase Price equal to the amount of such excess (by submitting to such Liquidity Facility Provider in accordance with such Liquidity Facility all such documents as are required for such purpose), and (ii) not later than 2:45 p.m., New York City time, on such Purchase Date, the Tender Agent shall deposit the proceeds of such Liquidity Facility Request received by the Tender Agent in the Liquidity Account of the Purchase Fund; or

(B) If a Liquidity Facility is not in effect on such Purchase Date and the Authority is obligated to make Required Liquidity Payments or otherwise elects in its sole discretion to make Optional Liquidity Payments to provide funds for such payment, then (i) not later than 12:30 p.m., New York City time, on such Purchase Date, the Tender Agent shall notify the Authority that the amount of such excess is the amount payable by the Authority to the Tender Agent not later than 2:30 p.m., New York City time, on such Purchase Date for purposes of causing the Tender Agent to purchase, on behalf of the Authority, Bonds having a Purchase Price equal to such excess (and, thereby, for the Tender Agent to have sufficient funds to pay the Purchase Price of all Bonds subject to purchase on such Purchase Date), and (ii) not later than 2:30 p.m., New York City time, on such Purchase Date, the Tender Agent shall deposit the amount received by the Tender Agent from the Authority for such purpose in the Authority Purchase Account of the Purchase Fund.

(4) Not later than 3:00 p.m., New York City time, on each Purchase Date, the Tender Agent shall disburse the Purchase Price of 2015 Variable Rate Parity Bonds to be purchased on such Purchase Date to the Owners thereof (upon surrender thereof for payment of such Purchase Price), from the following sources and in the following order of priority:

(A) Moneys on deposit in the Remarketing Account of the Purchase Fund (representing the proceeds of the remarketing by the Remarketing Agent);

(B) If a Liquidity Facility is in effect on such Purchase Date, moneys on deposit in the Liquidity Account of the Purchase Fund (representing the proceeds of a Liquidity Facility Request under the Liquidity Facility); and

(C) If a Liquidity Facility is not in effect on such Purchase Date, moneys on deposit in the Authority Purchase Account of the Purchase Fund (representing amounts paid by the Authority to the Tender Agent for the purchase of such 2015 Variable Rate Parity Bonds).

(5) Any moneys remaining in the Remarketing Account, the Liquidity Account or the Authority Purchase Account of the Purchase Fund and representing (but not exceeding) the Purchase Price of 2015 Variable Rate Parity Bonds subject to purchase on the applicable

Purchase Date but not tendered and delivered for purchase on the applicable Purchase Date (following the payments from the Purchase Fund described in Section 8 of this Appendix A) shall be transferred by the Tender Agent to the Undelivered Bond Payment Account of the Purchase Fund not later than 3:30 p.m., New York City time, on the applicable Purchase Date and retained therein, subject to the provisions of Section 8 of this Appendix A, for application in accordance with Section 6(d)(6) of this Appendix A. Any moneys remaining in the Remarketing Account, the Liquidity Account and the Authority Purchase Account of the Purchase Fund on the applicable Purchase Date after the payments from the Purchase Fund and the transfer described in the preceding sentence of this Section shall be wire transferred by the Tender Agent, in immediately available funds, prior to the close of business on such Purchase Date, to the Remarketing Agent, the Liquidity Facility Provider and the Authority, respectively.

(6) Moneys transferred to the Undelivered Bond Payment Account of the Purchase Fund on any Purchase Date shall be applied, on or after such Purchase Date, by the Tender Agent to pay the Purchase Price of Undelivered Bonds in respect of which they were so transferred, upon the surrender of such Bonds to the Tender Agent for such purpose.

(7) Subject only to the provisions of this Section 6 permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of the Purchase Price of the 2015 Variable Rate Parity Bonds tendered and/or deemed tendered for purchase in accordance with this Series Resolution all of the Required Liquidity Payments and other amounts held in the Purchase Fund (and the accounts therein).

(e) Mandatory Purchase of 2015 Variable Rate Parity Bonds.

(1) 2015 Variable Rate Parity Bonds shall be subject to mandatory tender for purchase by the Tender Agent at the Purchase Price on the following Purchase Dates:

(A) Each Conversion Date for the 2015 Variable Rate Parity Bonds, except for a Conversion between the Daily Rate Period and Weekly Rate Period (unless such Conversion Date is already a Purchase Date, in which case no separate mandatory tender by operation of this Section 6(e) shall occur);

(B) Each Short-Term Rate Mandatory Purchase Date;

(C) Each Long-Term Rate Mandatory Purchase Date;

(D) The fifth day next preceding the Expiration Date of the Liquidity Facility or Credit Facility in effect with respect to the 2015 Variable Rate Parity Bonds (unless, on or prior to the fifth day next preceding such Expiration Date, such Expiration Date is extended);

(E) Each Liquidity Facility Date or Credit Facility Date;

(F) The Termination Date of the Liquidity Facility, if any;

(G) The date the Authority elects to terminate the Liquidity Facility prior to its expiration;

(H) The Non-reinstatement Date of the Liquidity Facility, if any; and

(l) Each Authority Elective Purchase Date.

(2) 2015 Variable Rate Parity Bonds to be purchased pursuant to this Section 6(e) shall be delivered by the Owners thereof to the Tender Agent (together with necessary assignments and endorsements) at or prior to 1:00 p.m., New York City time, on the applicable Purchase Date.

(3) Any 2015 Variable Rate Parity Bonds to be purchased by the Tender Agent pursuant to this Section 6(e) that are not delivered for purchase on or prior to the Purchase Date, for which there has been irrevocably deposited in trust with the Bond Registrar or the Tender Agent an amount sufficient to pay the Purchase Price of such 2015 Variable Rate Parity Bonds, shall be deemed to have been tendered to the Tender Agent for purchase, and the Owners of such 2015 Variable Rate Parity Bonds shall not be entitled to any payment (including any interest to accrue on or after the Purchase Date) other than the respective Purchase Prices of such 2015 Variable Rate Parity Bonds, and such 2015 Variable Rate Parity Bonds shall not be entitled to any benefits of this Series Resolution, except for payment of such Purchase Price out of the moneys deposited for such payment as aforesaid.

(4) In addition to any other requirements set forth in this Series Resolution, notices of mandatory tender of 2015 Variable Rate Parity Bonds delivered to Owners shall:

(A) Specify the proposed Purchase Date and the event which gives rise to the proposed Purchase Date;

(B) State that the 2015 Variable Rate Parity Bonds shall be subject to mandatory tender for purchase on such date;

(C) State that Owners may not elect to retain 2015 Variable Rate Parity Bonds subject to mandatory tender;

(D) State that all 2015 Variable Rate Parity Bonds subject to mandatory tender shall be required to be delivered to the designated corporate trust office of the Tender Agent at or before 1:00 p.m., New York City time, on the Purchase Date;

(E) State that if the Owner of any 2015 Variable Rate Parity Bond subject to mandatory tender fails to deliver such 2015 Variable Rate Parity Bond to the Tender Agent for purchase on the Purchase Date, and if the Tender Agent is in receipt of funds sufficient to pay the Purchase Price thereof, such 2015 Variable Rate Parity Bond (or portion thereof) shall nevertheless be deemed purchased on the Purchase Date and ownership of such 2015 Variable Rate Parity Bond (or portion thereof) shall be transferred to the purchaser thereof;

(F) State that any Owner that fails to deliver any 2015 Variable Rate Parity Bond for purchase shall have no further rights thereunder or under this Series Resolution except the right to receive the Purchase Price thereof upon presentation and surrender of said 2015 Variable Rate Parity Bond to the Tender Agent and that the 2015 Variable Rate Parity Bond Registrar will place a stop transfer against the 2015 Variable Rate Parity Bonds subject to mandatory tender registered in the name of such Owner(s) on the Bond Register;

(G) State that provided that moneys sufficient to effect such purchase shall have been provided through (i) the remarketing of the 2015 Variable Rate Parity Bonds by

the Remarketing Agent, (ii) the Liquidity Facility (if any) or (iii) funds provided by the Authority (if applicable), all such 2015 Variable Rate Parity Bonds shall be purchased;

(H) In the case of mandatory tender upon any proposed Conversion of the 2015 Variable Rate Parity Bonds, state that such Conversion and such mandatory tender will not occur by reason of the occurrence of certain events specified in Section 2(h)(5) or Section 3, as applicable (and summarize such events);

(I) In the case of mandatory tender on the fifth day next preceding the Expiration Date of the Liquidity Facility or Credit Facility, state that such mandatory tender will not occur, if, on or prior to such fifth day, such Expiration Date is extended; and

(J) In the case of mandatory tender on a Liquidity Facility Date or Credit Facility Date, state the information required by Subsections 6(e)1(E) and 6(e)4 of this Appendix A.

(5) Notice of mandatory tender of the 2015 Variable Rate Parity Bonds by reason of a proposed Conversion Date shall be given in accordance with Section 2 or Section 3 of this Appendix A, as applicable; and notice of mandatory tender of the 2015 Variable Rate Parity Bonds by reason of a proposed Liquidity Facility Date or Credit Facility Date shall be given in accordance with Section 7(e) or Section 7(f) of this Appendix A, as applicable. Notice of mandatory tender of the 2015 Variable Rate Parity Bonds by reason of other events shall be given by the Bond Registrar (A) to the Owners of the 2015 Variable Rate Parity Bonds subject to mandatory tender (at their addresses as they appear on the Bond Register as of the date of such notice) by Electronic Notice, confirmed by first class mail, and (B) to the Authority, the Remarketing Agent, the Tender Agent, the Calculation Agent, if any, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, by Electronic Notice not fewer than 10 days prior to the applicable Purchase Date.

(6) If, following the giving of notice of mandatory tender of 2015 Variable Rate Parity Bonds, an event occurs that, in accordance with the terms of this Series Resolution causes such mandatory tender not to occur, then (A) the Bond Registrar shall so notify the Owners of such 2015 Variable Rate Parity Bonds (at their addresses as they appear on the Bond Register on the date of such notice), by Electronic Notice, confirmed by first class mail, as soon as may be practicable before the applicable Purchase Date, and (B) the Tender Agent shall return to their Owners any such 2015 Variable Rate Parity Bonds tendered to the Tender Agent in connection with such mandatory tender of such 2015 Variable Rate Parity Bonds.

(7) During any Daily Rate Period or Weekly Rate Period, on any Business Day designated by the Authority, and during any Index Floating Rate Period or any Adjustable Term Rate Period on any Par Call Date, in each case with the consent of the Liquidity Facility Provider, if any (each an "Authority Elective Purchase Date"), the 2015 Variable Rate Parity Bonds are subject to mandatory tender for purchase at the Purchase Price, payable in immediately available funds. Such Authority Elective Purchase Date shall be a Business Day not earlier than the 10th day following the second Business Day after receipt by the Tender Agent of such designation. If on an Authority Elective Purchase Date sufficient remarketing proceeds or other amounts provided by the Authority are not available for the purchase of all 2015 Variable Rate Parity Bonds, then the Authority's designation of such Authority Elective Purchase Date shall be deemed rescinded, and the Authority shall have no obligation to purchase the 2015 Variable Rate Parity Bonds tendered or deemed tendered on the Authority Elective Purchase Date. The Bond Registrar shall give Electronic Notice of such rescission to the Owners, with a copy to the

Authority, the Tender Agent, the Remarketing Agent and the Liquidity Facility Provider as soon as practicable and in any event not later than the next succeeding Business Day.

(f) Insufficient Funds for the Payment of Purchase Price.

(1) If the funds available for the purchase of 2015 Variable Rate Parity Bonds subject to purchase on a Purchase Date are insufficient to purchase all of such 2015 Variable Rate Parity Bonds (including Undelivered Bonds), then no purchase of any 2015 Variable Rate Parity Bonds shall occur on such Purchase Date and, on such Purchase Date, the Tender Agent shall (A) return all of such 2015 Variable Rate Parity Bonds that were tendered or deemed tendered to the Owners thereof, (B) return all moneys received by the Tender Agent for the purchase of such 2015 Variable Rate Parity Bonds to the respective persons that provided such moneys (in the respective amounts in which such moneys were so provided), and (C) notify the Bond Registrar of the foregoing.

The Authority shall not be obligated to purchase (i) any Index Floating Rate Bonds of a Series or any Adjustable Term Rate Bonds of a Series or (ii) any 2015 Variable Rate Parity Bond for which a Liquidity Facility or a Credit Facility was provided if available funds from remarketing such 2015 Variable Rate Parity Bonds or from such Liquidity Facility or Credit Facility are insufficient; and in either such case, such failure to purchase shall not be a Default or an event of default under any other resolution or agreement of the Authority.

(2) Except as otherwise provided in subparagraph (3) below, if 2015 Variable Rate Parity Bonds are not purchased when required, such 2015 Variable Rate Parity Bonds shall bear interest at the Alternate Rate from such Purchase Date until such date that all of such 2015 Variable Rate Parity Bonds have been purchased.

(3) If Daily Rate Bonds or Weekly Rate Bonds secured by a Credit Facility or Liquidity Facility are not purchased on an Authority Elective Purchase Date or because the Credit Facility Provider or Liquidity Facility Provider has failed to honor a draw under its Credit Facility or Liquidity Facility, then such Daily Rate Bonds or Weekly Rate Bonds shall continue to bear interest at a Daily Rate or Weekly Rate, as applicable, determined as provided in Section 2 of this Appendix A. If Index Floating Rate Bonds are not purchased on an Authority Elective Purchase Date, then such Index Floating Rate Bonds shall continue to bear interest at an Index Floating Rate for an Index Floating Rate Period determined as provided in this Appendix A. If Adjustable Term Rate Bonds are not purchased on an Authority Elective Purchase Date, then such Adjustable Term Rate Bonds shall continue to bear interest at the applicable Adjustable Term Rate for an Adjustable Term Rate Period.

(4) If a Liquidity Facility or Credit Facility is in effect, and the Liquidity Facility Provider or Credit Facility Provider thereof has failed to honor its payment obligations under the Liquidity Facility or Credit Facility, twenty-five percent (25%) of the Owners of the 2015 Variable Rate Parity Bonds secured by such Facility (excluding 2015 Variable Rate Parity Bonds of such Series owned by the Authority and Bank Bonds), shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Bond Registrar, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Liquidity Facility or Credit Facility, or any other proceedings thereunder; provided that such direction shall be in accordance with applicable law and satisfactory evidence of the ownership of such Bond provided to the Bond Registrar.

**Section 7. Remarketing of 2015 Variable Rate Parity Bonds.**

(a) The Remarketing Agent

(1) One or more Remarketing Agents may be appointed from time to time by the Designated Authority Representative with the prior written consent of the Liquidity Facility Provider, if any (which consent shall not be unreasonably withheld). Each Remarketing Agent appointed in accordance with this Series Resolution shall designate its principal office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Authority, the Bond Registrar and the Liquidity Facility Provider, or by executing and delivering a Remarketing Agreement, in either case under which the Remarketing Agent will agree, particularly:

(A) To hold all moneys delivered to it hereunder for the purchase of 2015 Variable Rate Parity Bonds as a fiduciary for the exclusive benefit of the person or persons that shall have so delivered such moneys until the 2015 Variable Rate Parity Bonds purchased with such moneys shall have been delivered to or for the account of such person or persons;

(B) To keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Authority and the Bond Registrar at all reasonable times;

(C) To determine the Index Floating Rates, Daily Rates, Weekly Rates, Short-Term Rates, Long-Term Rates, Adjustable Term Rates, and the Fixed Rate with respect to the Bonds and the Applicable Spread and give notice of such rates or spread, as applicable in accordance with the provisions of this Series Resolution, including this Appendix A;

(D) To offer for sale and use its best efforts to find purchasers for the 2015 Variable Rate Parity Bonds tendered for purchase, any such sale to be made at a price permitted under the terms of this Series Resolution, in accordance with the terms of this Series Resolution;

(E) To deliver to the Tender Agent all 2015 Variable Rate Parity Bonds held by it in accordance with the terms of this Series Resolution and the Remarketing Agreement; and

(F) To perform such other duties and responsibilities (including, without limitation, with respect to Bank Bonds) as are provided in this Series Resolution to be performed by the Remarketing Agent.

(2) One or more firms may serve as co-Remarketing Agents hereunder provided that each co-Remarketing Agent satisfies the requirements of Subsection 7(b) of this Appendix A. If co-Remarketing Agents have been appointed and are performing the duties of Remarketing Agent hereunder, all references herein to the Remarketing Agent shall be deemed to refer to all the Remarketing Agents acting jointly; provided that the Remarketing Agreement may provide that one firm may perform certain specified duties hereunder in its sole capacity.

(3) Except as may otherwise be provided in a remarketing agreement with the Authority, each Remarketing Agent may in good faith hold any 2015 Variable Rate Parity Bonds or any other form of indebtedness issued by the Authority; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter

into any commercial or business arrangement therewith; all without any liability on the part of the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

(b) Qualifications of Remarketing Agent. Each Remarketing Agent shall be authorized by law to perform all the duties imposed upon it hereunder. The Remarketing Agent may at any time resign and be discharged of the duties and obligations of the Remarketing Agent described in this Series Resolution by giving at least 30 days' notice to the Authority, the Bond Registrar, the Tender Agent, the Liquidity Facility Provider and the Credit Facility Provider, if any, and the Rating Agencies. The Remarketing Agent may be removed at any time upon written notice by the Authority to the Remarketing Agent, the Tender Agent, the Bond Registrar, the Liquidity Facility Provider and the Credit Facility Provider, if any, and the Rating Agencies.

(c) Sale of 2015 Variable Rate Parity Bonds by Remarketing Agent.

(1) Upon the receipt by the Remarketing Agent of (A) notice of tender of Daily Rate Bonds or Weekly Rate Bonds or (B) notice of mandatory tender of 2015 Variable Rate Parity Bonds, the Remarketing Agent shall offer for sale and use its best efforts subject to the terms of the Remarketing Agreement to solicit purchases of such Daily Rate Bonds or Weekly Rate Bonds subject to purchase on the applicable Purchase Date at a price equal to the Purchase Price; provided, however, that such Remarketing Agent shall not offer for sale or use its best efforts to solicit purchases of such Daily Rate Bonds or Weekly Rate Bonds subject to mandatory tender on the fifth day next preceding the Expiration Date of the Liquidity Facility or Credit Facility (unless, on or prior to such day, the Expiration Date of such Liquidity Facility or Credit Facility is extended), the Termination Date or the Non-reinstatement Date; and provided further, however, that, so long as a Liquidity Facility or Credit Facility is in effect the Remarketing Agent shall not knowingly offer for sale or sell any Daily Rate Bonds or Weekly Rate Bonds to the Authority.

(2) The Remarketing Agent shall pay or direct the purchasers to pay the proceeds of all purchases of 2015 Variable Rate Parity Bonds made, solicited and arranged by such Remarketing Agent, to the Tender Agent (for deposit in the Remarketing Account of the Purchase Fund), at or prior to Noon, New York City time, on the applicable Purchase Date, in immediately available funds.

(3) At or prior to 4:30 p.m., New York City time, on the Business Day next preceding each Purchase Date (other than an optional tender Purchase Date with respect to a Daily Rate Bond), the Remarketing Agent shall give notice by telephone (promptly confirmed by Electronic Notice) to the Tender Agent specifying: (A) the aggregate principal amount and Purchase Price of 2015 Variable Rate Parity Bonds subject to purchase on such Purchase Date for which the Remarketing Agent has received indications of interest from prospective purchasers, and (B) the aggregate principal amount and Purchase Price of 2015 Variable Rate Parity Bonds subject to purchase on such Purchase Date for which the Remarketing Agent has not received indications of interest from prospective purchasers.

(4) The Remarketing Agent shall offer for sale and use its best efforts to arrange for the sale and remarketing of all Bank Bonds at a price equal to 100% of the principal amount thereof plus (unless all of the 2015 Variable Rate Parity Bonds are Bank Bonds or as otherwise provided in Section 6 or Section 8 or elsewhere in this Appendix A) accrued and unpaid interest thereon at the rate that would be borne by such Bank Bonds if such Bank Bonds were not Bank Bonds. In connection with each remarketing of Bank Bonds by the Remarketing Agent:

(A) The Remarketing Agent shall (i) provide to the Authority, the Liquidity Facility Provider, the Bond Registrar and the Tender Agent not less than one Business Day's prior notice of such remarketing, and (ii) pay, or cause to be paid to such Liquidity Facility Provider, by wire transfer of immediately available funds, the proceeds of such remarketing;

(B) The Authority shall (i) in consultation with the Liquidity Facility Provider, calculate the amounts payable to the Liquidity Facility Provider pursuant to the Liquidity Facility or the related Liquidity Facility Agreement by reason of, and on the date of such remarketing (such amounts being referred to as the "Remarketing Payment Amount"), and (ii) pay to the Liquidity Facility Provider, or direct the Bond Registrar to withdraw from the Bond Fund and pay to such Liquidity Facility Provider, in either case, on the date of such remarketing and by wire transfer of immediately available funds, an amount of money which, when added to the proceeds of such remarketing being delivered to the Liquidity Facility Provider on the date of such remarketing, equals the Remarketing Payment Amount;

(C) The Tender Agent shall confirm with the Liquidity Facility Provider the receipt by the Liquidity Facility Provider of the Remarketing Payment Amount, the reinstatement of the obligation of the Liquidity Facility Provider to make funds available under the Liquidity Facility and the authorization of the Liquidity Facility Provider to release such Bank Bonds or its security interest therein; and

(D) After, and only after, receipt by the Tender Agent of confirmation by the Liquidity Facility Provider of the reinstatement of the obligation of the Liquidity Facility Provider under the Liquidity Facility to purchase or make funds available for the purchase of such Bank Bonds following remarketing of such Bank Bonds and authorization by such Liquidity Facility Provider of such transfer or such authentication and delivery, the Tender Agent shall (i) while the Bonds are held in book-entry only form, cause the ownership interest in such Bank Bonds to be transferred to or for the benefit of such purchaser or purchasers as are specified by the Remarketing Agent for such purpose, and (ii) if the Bonds are not then held in book-entry only form, cause the Bond Registrar to authenticate other 2015 Variable Rate Parity Bonds in lieu of such Bank Bonds and to deliver the same to or upon the instruction of the Remarketing Agent.

(5) The Remarketing Agent shall offer for sale and use its best efforts to arrange for the sale and remarketing of all 2015 Variable Rate Parity Bonds subject to purchase on a Purchase Date that are purchased with moneys provided by the Authority to the Tender Agent for such purpose and all 2015 Variable Rate Parity Bonds that are purchased by the Authority pursuant to the Liquidity Facility or the related Liquidity Facility Agreement and not surrendered by the Authority for cancellation.

(d) Delivery of 2015 Variable Rate Parity Bonds.

(1) Upon application of available moneys to the purchase of Bonds on a Purchase Date (and/or to the transfer thereof to the Undelivered Bond Payment Account of the Purchase Fund on a Purchase Date), the Tender Agent shall cause the Bond Registrar to register the transfer of Bonds purchased therewith in the names of the purchasers thereof in accordance with information provided by the Remarketing Agent for such purpose and to have such transferred Bonds available for delivery against payment therefor.

(2) Upon application of the moneys drawn under a Liquidity Facility to the purchase of 2015 Variable Rate Bonds of a Series on a Purchase Date (and/or to the transfer thereof to the Undelivered Bond Payment Account of the Purchase Fund on a Purchase Date),

(A) the 2015 Variable Rate Parity Bonds purchased (or, in the case of such transfer, provided to be purchased) with such moneys shall constitute Bank Bonds (unless and until such Bonds cease to be Bank Bonds), and (B) if the 2015 Variable Rate Parity Bonds are held in book-entry only form, the ownership interest in such Bank Bonds shall be transferred on the books of DTC to or for the account of the Tender Agent or a participant acting on behalf of the Tender Agent and the Tender Agent shall, and shall cause such participant to, mark its own books and records to reflect the beneficial ownership of such Bank Bonds by the Liquidity Facility Provider, and (C) if the 2015 Variable Rate Parity Bonds are no longer held in book-entry only form, such Bonds shall be delivered by the Tender Agent to the Bond Registrar for registration of transfer and shall be registered by the Bond Registrar in the name of the Liquidity Facility Provider, or any nominee of the Liquidity Facility Provider, and delivered by the Bond Registrar to the Tender Agent and held by the Tender Agent as bailee and custodian of the Liquidity Facility Provider. The Tender Agent shall release and redeliver or transfer Bank Bonds (being remarketed by the Remarketing Agent). Any other disposition of Bank Bonds shall be made only at the written direction or with the prior written consent of the Liquidity Facility Provider.

(3) Upon the application of moneys to the purchase by the Authority of 2015 Variable Rate Parity Bonds of one or more Series on a Purchase Date (and/or to the transfer thereof to the Undelivered Bond Payment Account of the Purchase Fund on a Purchase Date), the 2015 Variable Rate Parity Bonds purchased (or, in the case of such transfer, provided to be purchased) with such moneys shall be registered in the name of the Authority and shall, at the direction of the Authority, be delivered to the Bond Registrar for cancellation (and canceled by the Bond Registrar) or delivered to the Tender Agent for the account of the Authority and remarketed.

(4) Any 2015 Variable Rate Parity Bonds canceled by the Bond Registrar pursuant to this Section and any 2015 Variable Rate Parity Bonds surrendered by the Authority to the Bond Registrar for cancellation shall be allocated to the next succeeding Mandatory Sinking Account Payment, then as a credit against such future Mandatory Sinking Account Payments as the Authority may specify in a certificate of the Designated Authority Representative. So long as a Liquidity Facility is in effect, the Bond Registrar shall notify the Liquidity Facility Provider of the aggregate principal amount of 2015 Variable Rate Parity Bonds so canceled and shall submit to the Liquidity Facility Provider such documents, if any, as are required in accordance with the terms of the Liquidity Facility to cause the amounts available under the Liquidity Facility to be reduced in respect of such 2015 Variable Rate Parity Bonds so canceled.

(e) The Liquidity Facility.

(1) *Delivery of a Liquidity Facility.* In each case where a Liquidity Facility is to be delivered to the Tender Agent (including the delivery of a new Liquidity Facility in substitution for an existing Liquidity Facility), the Liquidity Facility shall become effective only if the 2015 Variable Rate Parity Bonds have been successfully purchased and remarketed on the related Purchase Date. Upon delivery of a Liquidity Facility with respect to the 2015 Variable Rate Parity Bonds, together with the documents described in clause (e) below, the Tender Agent shall accept such Liquidity Facility and, upon such acceptance, such Liquidity Facility shall be the Liquidity Facility and the issuer of such Liquidity Facility (or any agent acting on its or their behalf) shall be the Liquidity Facility Provider, in each case, for all purposes of this Series Resolution.

(2) *Mandatory Tender of Bonds in Connection with Delivery of a Liquidity Facility.* If a Liquidity Facility is delivered and accepted, those 2015 Variable Rate Parity Bonds will be subject to mandatory tender on the Purchase Date determined pursuant to and in accordance with Section 6(e) of this Appendix A. If an existing Liquidity Facility is in effect on that

Purchase Date, funds for the purchase of the 2015 Variable Rate Parity Bonds tendered on that Purchase Date will be made available in accordance with the terms of that existing Liquidity Facility and not the new Liquidity Facility to be delivered on that Purchase Date.

(3) *Notice of Delivery of a Liquidity Facility, Conditional Mandatory Tender of Bonds.* The Authority shall notify the Bond Registrar, the Tender Agent, the Remarketing Agent and any then-existing Liquidity Facility Provider or Credit Facility Provider of the proposed delivery of a Liquidity Facility and the related Liquidity Facility Date at least 20 days prior to such Liquidity Facility Date. The Bond Registrar shall give notice to the Owners of the 2015 Variable Rate Parity Bonds (at their addresses as they appear on the Bond Register as of the date of such notice), by Electronic Notice, confirmed by first class mail, of the proposed delivery of a Liquidity Facility and the related Liquidity Facility Date at least 15 days prior to such Liquidity Facility Date. Such notice shall also constitute the notice of mandatory tender of the 2015 Variable Rate Parity Bonds on the related Liquidity Facility Date; provided, however, that in addition to the information required by Section 6(e) of this Appendix A, such notice shall state that such mandatory tender of the 2015 Variable Rate Parity Bonds will not occur if on or prior to the proposed Liquidity Facility Date, the Tender Agent does not receive such Liquidity Facility, together with the Supporting Liquidity Facility Documents (as defined in paragraph (5) below). If, by reason of the conditions to such mandatory tender of the 2015 Variable Rate Parity Bonds (as stated in such notice), there is no mandatory tender of such Bonds on the proposed Liquidity Facility Date, (A) the Tender Agent shall so notify the Bond Registrar, (B) the Bond Registrar shall so notify the Owners of such Bonds (at their addresses as they appear on the Bond Register as of the date of such notice) by Electronic Notice, confirmed by first class mail, and (C) the Tender Agent shall return to their Owners any such 2015 Variable Rate Parity Bonds tendered to the Tender Agent in connection with such mandatory tender of such 2015 Variable Rate Parity Bonds.

(4) *Termination and Expiration.* The Authority may elect at any time (A) to permit a Liquidity Facility to expire without delivering a new Liquidity Facility or (B) to terminate a Liquidity Facility prior to its expiration.

(5) *Supporting Liquidity Facility Documents.* In connection with the delivery of a Liquidity Facility, the Authority shall deliver, or shall cause to be delivered, the following documents (the "Supporting Liquidity Facility Documents"):

(A) written evidence from each Rating Agency then maintaining a rating on the 2015 Variable Rate Parity Bonds of the rating to be assigned by such Rating Agency to the 2015 Variable Rate Parity Bonds following the delivery of the Liquidity Facility with respect to such 2015 Variable Rate Parity Bonds;

(B) a written opinion of counsel, addressed to the Bond Registrar and the Tender Agent, to the effect that the Liquidity Facility is the legal, valid and binding obligation of the Liquidity Facility Provider, enforceable against such issuer or issuers in accordance with its terms (subject to customary exceptions relating to bankruptcy, insolvency and rights of creditors generally and to specific performance and equitable remedies);

(C) if such 2015 Parity Bonds are Tax-Exempt Parity Bonds, an Opinion of Bond Counsel to the effect that the delivery of the Liquidity Facility with respect to such 2015 Variable Rate Parity Bonds will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for purposes of federal income taxation; and

(D) if applicable, the written acknowledgment of the Liquidity Facility Provider with respect to the Liquidity Facility then in effect that all conditions precedent to termination of such existing Liquidity Facility that are contained in such Liquidity Facility or the Liquidity Facility Agreement relating thereto have been fulfilled (or provision satisfactory to the Liquidity Facility Provider has been made for such fulfillment).

(6) If there is a Liquidity Facility in effect with respect to 2015 Variable Rate Parity Bonds of a Series, the Tender Agent shall make Liquidity Facility Requests in accordance with this Appendix A and the terms of the Liquidity Facility then in effect.

(7) The Tender Agent shall not terminate or reduce the amounts available under a Liquidity Facility except by reason of (A) the redemption, cancellation and/or defeasance of 2015 Variable Rate Parity Bonds, (B) the Conversion of such 2015 Variable Rate Parity Bonds to an Interest Rate Mode which is not covered by such Liquidity Facility or (C) a new Liquidity Facility is delivered and becomes effective in accordance with the provisions of this Section. Notwithstanding the foregoing, the Authority may elect to terminate a Liquidity Facility at any time in accordance with the terms of the Liquidity Facility or the related Liquidity Facility Agreement.

(f) The Credit Facility.

(1) *Delivery of a Credit Facility.* In each case where a Credit Facility is to be delivered to the Bond Registrar (including the delivery of a new Credit Facility in substitution for the existing Credit Facility), the Credit Facility shall become effective with respect to the 2015 Variable Rate Parity Bonds of a Series only if the 2015 Variable Rate Parity Bonds have been successfully purchased and remarketed on the related Purchase Date. Upon delivery of a Credit Facility, together with the documents described in clause (5) below, the Bond Registrar shall accept such Credit Facility and, upon such acceptance, such Credit Facility shall be the Credit Facility and the issuer of such Credit Facility (or any agent acting on its or their behalf) shall be the Credit Facility Provider, in each case, for all purposes of this Series Resolution.

(2) *Mandatory Tender of Bonds in Connection with Delivery of a Credit Facility.* Pursuant to and in accordance with the terms in this Appendix A, if a Credit Facility is delivered and accepted, those 2015 Variable Rate Parity Bonds will be subject to mandatory tender on the Purchase Date determined pursuant to and in accordance with Section 6(e) of this Appendix A.

(3) *Notice of Delivery of a Credit Facility; Conditional Mandatory Tender of Bonds.* The Authority shall notify the Bond Registrar, the Tender Agent, the Remarketing Agent and any then-existing Liquidity Facility Provider or Credit Facility Provider of the proposed delivery of a Credit Facility and the related Credit Facility Date at least 20 days prior to such Credit Facility Date. The Bond Registrar shall give notice to the Owners of the Bonds (at their addresses as they appear on the Bond Register as of the date of such notice), by Electronic Notice, confirmed by first class mail, of the proposed delivery of a Credit Facility and the related Credit Facility Date at least 15 days prior to such Credit Facility Date. Such notice shall also constitute the notice of mandatory tender of the 2015 Variable Rate Parity Bonds on the related Credit Facility Date; provided, however, that in addition to the information required by Section 6 of this Appendix A, such notice shall state that such mandatory tender of the 2015 Variable Rate Parity Bonds will not occur if, on or prior to the proposed Credit Facility Date, the Tender Agent does not receive such Credit Facility, together with the Supporting Credit Facility Documents (as defined in paragraph (e) below). If, by reason of the conditions to such mandatory tender of such 2015 Variable Rate Parity Bonds (as stated in such notice), there is no mandatory tender of such 2015 Variable Rate Parity Bonds on the proposed Credit Facility Date, (1) the Tender Agent shall so

notify the Bond Registrar, (2) the Bond Registrar shall so notify the Owners of such 2015 Variable Rate Parity Bonds (at their addresses as they appear on the Bond Register as of the date of such notice) by Electronic Notice, confirmed by first class mail, and (3) the Tender Agent shall return to their Owners any such Bonds tendered to the Tender Agent in connection with such mandatory tender of such Bonds.

(4) *Expiration and Termination.* The Authority may elect at any time (1) to permit a Credit Facility to expire without delivering a new Credit Facility, (2) to terminate a Credit Facility prior to its expiration, or (3) upon expiration or termination of the Letter of Credit, to not provide a Credit Facility.

(5) *Supporting Credit Facility Documents.* In connection with the delivery of a Credit Facility after the Closing Date, the Authority shall deliver, or shall cause to be delivered, the following documents (the "Supporting Credit Facility Documents"):

(A) written consent of the Liquidity Facility Provider, if any;

(B) written evidence from each Rating Agency then maintaining a rating on such Bonds of the rating to be assigned by such Rating Agency to such 2015 Variable Rate Parity Bonds following the delivery of the Credit Facility (unless the Authority determines that such ratings are not necessary for the remarketing of the 2015 Variable Rate Parity Bonds);

(C) a written opinion of counsel, addressed to the Bond Registrar and the Tender Agent, to the effect that the Credit Facility is the legal, valid and binding obligation of the Credit Facility Provider, enforceable against such issuer or issuers in accordance with its terms (subject to customary exceptions relating to bankruptcy, insolvency and rights of creditors generally and to specific performance and equitable remedies);

(D) if such 2015 Parity Bonds are Tax-Exempt Parity Bonds, an Opinion of Bond Counsel to the effect that the delivery of the Credit Facility will not, in and of itself, cause the interest on such 2015 Variable Rate Parity Bonds to be includable in the gross income of Owners for purposes of federal income taxation; and

(E) if applicable, the written acknowledgment of the Credit Facility Provider with respect to the Credit Facility then in effect that all conditions precedent to termination of such existing Credit Facility that are contained in such Credit Facility or the Credit Facility Agreement relating thereto have been fulfilled (or provision satisfactory to such Credit Facility Provider has been made for such fulfillment).

(6) The Bond Registrar shall not terminate or reduce the amounts available under a Credit Facility except by reason of (A) the redemption, cancellation and/or defeasance of 2015 Variable Rate Parity Bonds, or (B) the Conversion of such 2015 Variable Rate Parity Bonds to an Interest Rate Mode which is not covered by such Credit Facility. Notwithstanding the foregoing, the Authority may elect to terminate a Credit Facility at any time in accordance with the terms of the Credit Facility or related Credit Facility Agreement.

**Section 8. Credit Facilities and Funds.**

(a) Credit Facility; Credit Facility Fund

(1) The Bond Registrar shall hold and maintain the Credit Facility, if any, for the benefit of the Owners of the 2015 Variable Rate Parity Bonds until such Credit Facility expires in accordance with its terms, is earlier terminated by the Authority or is replaced by an Alternate Credit Facility. Subject to the provisions of this Series Resolution, the Bond Registrar shall enforce all terms, covenants and conditions of the Credit Facility, including payment when due of any draws on such Credit Facility, and the provisions relating to the payment of draws on, and reinstatement of amounts that may be drawn under, such Credit Facility, and will not consent to, agree to or permit any amendment or modification of such Credit Facility which would materially adversely affect the rights or security of the Owners of the 2015 Variable Rate Parity Bonds then so secured. The Bond Registrar shall be entitled to rely on a written opinion of counsel or an officer's certificate as to whether such an amendment or modification of the Credit Facility would materially adversely affect the rights or security of such Owners. If at any time during the term of a Credit Facility any successor Bond Registrar shall be appointed and qualified under this Series Resolution, the resigning or removed Bond Registrar shall request that the Credit Facility Provider transfer such Credit Facility to the successor Bond Registrar. If the resigning or removed Bond Registrar fails to make this request, the successor Bond Registrar shall do so and shall delay accepting appointment hereunder until the Credit Facility Provider assents to such request. When a Credit Facility expires in accordance with its terms, is terminated by the Authority or is replaced by an Alternate Credit Facility, the Bond Registrar shall immediately surrender such Credit Facility to the Credit Facility Provider, provided, however, that the Bond Registrar shall not surrender such Credit Facility until all draws permitted upon such Credit Facility in accordance with its terms and as required hereby shall have been funded. All provisions herein relating to the rights of any Credit Facility Provider shall be of no force and effect if there is no Credit Facility in effect and all amounts payable to the Credit Facility Provider under the Credit Facility Agreement have been satisfied.

(2) While a Credit Facility is in effect, the Bond Registrar shall draw on the Credit Facility in accordance with the terms thereof so as to receive thereunder by 1:00 p.m., New York City time, on each Interest Payment Date and principal payment date, an amount, in immediately available funds, equal to the amount of interest and principal payable on the 2015 Variable Rate Parity Bonds on such Interest Payment Date and principal payment date. If the Credit Facility Provider fails to fund such a draw, the Bond Registrar shall promptly notify the Authority, demand payment by the Authority, and shall pay when due such amount of interest and principal payable on such Interest Payment Date and principal payment date from amounts on deposit in the Bond Fund in accordance with the terms of this Series Resolution. The proceeds of such draws shall be deposited in the Credit Facility Fund and shall be applied to pay principal of and interest on the 2015 Variable Rate Parity Bonds prior to the application of any other funds held by the Bond Registrar therefor. Notwithstanding the foregoing, if the Credit Facility Provider and the Liquidity Facility Provider are the same entity, the Bond Registrar shall not draw on the Credit Facility with respect to any payments due or made in connection with Bank Bonds. In no

event shall the Bond Registrar draw on the Credit Facility with respect to any 2015 Variable Rate Parity Bonds registered in the name of the Authority.

(3) While a Credit Facility is in effect, the Bond Registrar shall establish, maintain and hold in trust a special fund designated as the "Credit Facility Fund" for the benefit of Owners. The Bond Registrar shall deposit in the Credit Facility Fund all moneys derived from a drawing under a Credit Facility for the purpose of paying the principal of and interest on the Bonds when due. Moneys held in the Credit Facility Fund shall remain uninvested, be held separate and apart from all other funds and accounts and shall not be commingled with any other moneys. Moneys in the Credit Facility Fund shall be withdrawn by the Bond Registrar from the Credit Facility Fund and applied to the payment of the principal of and interest on 2015 Variable Rate Parity Bonds on each Interest Payment Date and principal payment date for such 2015 Variable Rate Parity Bonds.

(b) Credit Facility; Alternate Credit Facility. The Authority may, at its sole option, maintain or furnish, as the case may be, a Credit Facility (or, if a Credit Facility is then in existence, an Alternate Credit Facility in substitution for the Credit Facility then in effect) or otherwise make funds available pursuant to a Credit Facility to the Bond Registrar to provide for the payment of principal of and interest on 2015 Variable Rate Parity Bonds of a Series in accordance with this Series Resolution. Any Credit Facility (or Alternate Credit Facility) shall be not less than the Required Stated Amount with a term of at least 360 days from the effective date thereof and shall be subject to the approval of the Liquidity Facility Provider (if any) if the Liquidity Facility Provider is a separate entity from the Credit Facility Provider. The Authority shall give at least forty-five (45) days' advance written notice to the Bond Registrar, the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any) of (1) its intent to furnish a Credit Facility or Alternate Credit Facility to the Bond Registrar, which notice shall specify the nature of such Credit Facility, the identity of the Credit Facility Provider and the proposed Credit Facility Date and (2) its intent to terminate the Credit Facility then in effect, which notice shall specify the proposed termination date for such Credit Facility.

(c) Liquidity Facility; Alternate Liquidity Facility. The Authority may, in its sole option, maintain or furnish, as the case may be, a Liquidity Facility (or, if a Liquidity Facility is then in existence, an Alternate Liquidity Facility in substitution for the Liquidity Facility then in effect) or otherwise make funds available pursuant to a Liquidity Facility to the Tender Agent to provide for the purchase of such 2015 Variable Rate Parity Bonds of a Series upon their optional or mandatory tender in accordance with this Series Resolution. Any Liquidity Facility (or Alternate Liquidity Facility) shall be in an amount equal to the Required Stated Amount with a term of at least 360 days from the effective date thereof and shall be subject to the approval of the Credit Facility Provider (if any) if the Credit Facility Provider is a separate entity from the Liquidity Facility Provider. The Authority shall give at least forty-five (45) days' advance written notice to the Bond Registrar, the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any) and the Tender Agent of (1) its intent to furnish a Liquidity Facility or Alternate Liquidity Facility to the Tender Agent, which notice shall specify the nature of such Liquidity Facility, the identity of the Liquidity Facility Provider and the proposed Liquidity Facility Date and (2) its intent to terminate a Liquidity Facility then in effect, which notice shall specify the proposed termination date for such Liquidity Facility.

(d) Required and Optional Liquidity Payments.

(1) *Required Liquidity Payments.* The Authority will duly and punctually pay or cause to be paid to the Tender Agent, for deposit into the Purchase Fund pertaining to the 2015

Variable Rate Parity Bonds, as and when due, and in the amounts required to provide moneys for the payment of the Purchase Price of 2015 Variable Rate Parity Bonds tendered and/or deemed tendered for purchase and not remarketed pursuant to the terms of this Series Resolution on the following dates:

(A) each Conversion Date on which (i) the interest rate on the Bonds is converted from the Index Floating Rate to a different Interest Rate Mode or (ii) the interest rate on the Bonds is converted from the Adjustable Term Rate to a different Interest Rate Mode;

(B) each Purchase Date for Daily Rate Bonds if a Liquidity Facility is not in effect;

(C) each Purchase Date for Weekly Rate Bonds if a Liquidity Facility is not in effect;

(D) each Short-Term Rate Mandatory Purchase Date if a Liquidity Facility is not in effect with respect to such Short-Term Rate Bonds; and

(E) each Long-Term Rate Mandatory Purchase Date if a Liquidity Facility is not in effect.

Collectively, (A) through (E) above are referred to as the “Required Liquidity Payments.”

(2) *Optional Liquidity Payments.* The Authority may elect, in its discretion, to pay or cause to be paid to the Tender Agent, for deposit in the Purchase Fund, the amounts required to provide moneys for the payment of the Purchase Price of 2015 Variable Rate Parity Bonds tendered and/or deemed tendered for purchase and not remarketed pursuant to the terms of this Series Resolution on the following Purchase Dates:

(A) (i) a Conversion Date on which the then current Index Floating Rate Period is changed to a new Index Floating Rate Period or (ii) a Conversion Date on which the then current Adjustable Term Rate Period is changed to a new Adjustable Term Rate Period;

(B) an Authority Elective Purchase Date;

(C) a Liquidity Facility Date or a Credit Facility Date; and

(D) a Purchase Date where a Liquidity Facility is in effect with respect to the 2015 Variable Rate Parity Bonds and the Liquidity Facility Provider has failed to provide funds for such purchase.

Collectively, (A) through (D) above are referred to as the “Optional Liquidity Payments.”

(3) The failure of the Authority to make a Required Liquidity Payment as and when due shall constitute a default. The failure of the Authority to make an Optional Liquidity Payment as and when needed shall not constitute a default.

(e) Consent Rights of the Credit Facility Provider (if any); Credit Facility Provider (if any) Deemed Owner of 2015 Variable Rate Parity Bonds in Certain Circumstances. Whenever

in this Series Resolution the consent of the Owners is required, the consent of the Credit Facility Provider (if any) shall also be required unless specifically stated otherwise in this Series Resolution. The Credit Facility Provider (if any) shall be deemed to be the Owner of all 2015 Variable Rate Parity Bonds secured by such Credit Facility then Outstanding for purposes of granting consent to Supplemental Resolutions. Notwithstanding any other provision hereof, any provision of this Series Resolution requiring the consent of, the giving of notice to, or control of proceedings by the Credit Facility Provider (if any) shall be in effect for so long as, and only during such time as such Credit Facility is in effect and no Credit Facility Provider Failure with respect to such Credit Facility shall have occurred and be continuing.

**Section 9. Additional Authorizations; Continuing Disclosure.** The Designated Authority Representative may, in his or her discretion, and without further action by the Board (a) affect Conversions and remarketings of the 2015 Variable Rate Parity Bonds of each Series from one Interest Rate Mode to the same or another Interest Rate Mode and may execute documents and/or amendments to existing documents to effect such conversions and remarketings; (b) negotiate terms of any Credit Facility or Liquidity Facility, including any fees and any extensions of one or more Expiration Dates, and execute the applicable Credit Facility Agreement, Liquidity Facility Agreement and other necessary documents, including amendments, in this regard; (c) execute documents necessary to designate and effect one or more Authority Elective Purchase Dates; and (d) effective on a Conversion Date or other Purchase Date and subject to any required consents of Liquidity Facility Providers or Credit Facility Providers, amend any one or more provisions of this Appendix A, together with any provisions of the Resolution that are necessary to effect changes to revise timing and other mechanical terms of the 2015 Parity Bonds, to reflect then-current market conditions and rating agency requirements, and to clarify ambiguities. The Designated Authority Representative also is authorized and directed to execute written undertakings, and amendments to undertakings, to provide continuing disclosure for the benefit of holders of the 2015 Variable Rate Parity Bonds to enable each participating underwriter or Remarketing Agent, as the case may be, to comply with the Rule.

**CERTIFICATE**

I, the undersigned, Administrator of the Board (the "Board") of The Central Puget Sound Regional Transit Authority (the "Authority"), DO HEREBY CERTIFY:

1. That the attached resolution numbered R2018-11 (the "Series Resolution") is a true and correct copy of a resolution of the Authority, as finally adopted at a regular meeting of the Board held on the 24th day of May 2018, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Board was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this 24<sup>th</sup> day of May 2018.

  
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Kathryn Flores  
Board Administrator

