
**NEW YORK STATE
THRUWAY AUTHORITY**

GENERAL REVENUE BOND RESOLUTION

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**NEW YORK STATE THRUWAY AUTHORITY
GENERAL REVENUE BOND RESOLUTION**

BE IT RESOLVED by the board of the New York State Thruway Authority as follows:

ARTICLE I

SHORT TITLE, DEFINITIONS AND STATUTORY AUTHORITY

Section 101. Short Title. This resolution may hereafter be cited by the Authority and is hereinafter sometimes referred to as the “General Revenue Bond Resolution.”

Section 102. Definitions. In this Resolution, unless the context otherwise requires, the following words and terms shall have the following meanings:

“Accreted Amount” means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its original issuance) plus the interest accrued on such Capital Appreciation Bond from the date of its original issuance to the Interest Payment Date next preceding the date of computation or the date of computation if such date is an Interest Payment Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Resolution or a related Certificate of Determination authorizing the issuance of such Capital Appreciation Bonds, compounded on each Interest Payment Date, and, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Amount as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Amount as of the immediately succeeding Interest Payment Date, calculated based upon an assumption that Accreted Amount accrues during any semi-annual period in equal daily amounts on the basis of a year of 360 days consisting of twelve (12) months of thirty (30) days each.

“Accrued Debt Service” means, as of any date of calculation, the amount of Debt Service that has accrued with respect to any Series of Bonds, calculating the Debt Service that has accrued with respect to each Series of Bonds as an amount equal to the sum of (1) the interest on the Bonds of such Series that has accrued and is unpaid and that will have accrued by the end of the then current calendar month, including, to the extent not otherwise provided in a Supplemental Resolution, all net amounts due and payable by the Authority and all net amounts to accrue to the end of the then current calendar month pursuant to a Qualified Swap, Qualified Reverse Swap or Parity Reimbursement Obligation; and (2) that portion of the Principal Installments for such Series next due which would be accrued (if deemed to accrue in the manner set forth in the definition of “Debt Service”) to the end of such calendar month; provided that the definition of Accrued Debt Service for any Series of Variable Interest Rate Bonds shall be set forth in the applicable Supplemental Resolution.

“Act” means the New York State Thruway Authority Act, Title 9 of Article 2 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as it may be hereafter amended from time to time.

“Additional Bonds” means Bonds authenticated and delivered on original issuance pursuant to Section 204.

“Additional Project” shall mean any Other Authority Project designated as an Additional Project by the Authority and in respect of which there has been submitted to the Trustee the documents provided for in Section 616 and any New Interchange or New Extension; and once designated as an Additional Project, any subsequent Facility Capital Improvements related thereto.

“Additional Project Revenues” means Revenues derived from Additional Projects. “Additional Project Revenues” shall not include the proceeds of any gifts, grants or other income to the Authority from the

government of the United States or the State, any public instrumentality of the State or any other individual or entity, to the extent the Authority is precluded by law, the grant or other operative contract or instrument from applying such amounts to the general corporate purposes of the Authority.

“Aggregate Debt Service” means for any period and as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds then Outstanding.

“Amortized Value” when used with respect to securities purchased at a premium above or a discount below par, means the value at any given date obtained by dividing the total premium or discount at which such securities were purchased by the number of Interest Payment Dates remaining to maturity on such securities after such purchase, and by multiplying the amount so calculated by the number of interest payment dates having passed since the date of such purchase; and (i) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of securities purchased at a discount, by adding the product thus obtained to the purchase price.

“Appreciated Value” means (i) as of any date of computation with respect to any Capital Appreciation and Current Interest Bond prior to the Interest Commencement Date set forth in the Supplemental Resolution or related Certificate of Determination providing for the issuance of such Capital Appreciation and Current Interest Bonds, an amount equal to the principal amount of such Capital Appreciation and Current Interest Bond (the principal amount at its original issuance) plus the interest accrued on such Capital Appreciation and Current Interest Bond from the date of original issuance of such Bond to the Interest Payment Date next preceding the date of computation or the date of computation if such date is an Interest Payment Date, such interest to accrue at the rate per annum of the Capital Appreciation and Current Interest Bonds set forth in the Supplemental Resolution or related Certificate of Determination providing for the issuance of such Capital Appreciation and Current Interest Bond, compounded semi-annually on each Interest Payment Date, and, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve (12) months of thirty (30) days each, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Arbitrage and Use of Proceeds Certificate” means, with respect to any Series of Bonds, the interest on which is intended by the Authority to be excluded from gross income for federal income tax purposes, a certificate or certificates executed by an Authorized Officer in connection with the initial issuance and delivery of the Bonds of such Series and containing representations, warranties and covenants of the Authority relating to the federal tax status of such Series of Bonds, as such certificate or certificates may be amended and supplemented from time to time.

“Authority” means the New York State Thruway Authority, a public corporation organized and existing under the Act, and any successor thereto.

“Authority Board” means the board of the Authority duly appointed and acting pursuant to the Act.

“Authority Budget” means the budget of the Authority, as amended or supplemented, adopted or in effect for a particular Authority fiscal year pursuant to Section 618.

“Authority Engineer’s Certificate” means, in the sole discretion of the Authority, (i) an Independent Consultant’s Certificate (delivered by an Independent Consultant that is a licensed professional engineer) or (ii) a certificate or an opinion signed by a licensed professional engineer employed by the Authority, having knowledge and expertise with respect to the subject matter of such certificate or opinion, and selected by the Authority to deliver such certificate or opinion.

“Authorized Newspaper” means The Bond Buyer or any newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, designated by the Authority.

“Authorized Officer” means any member of the Authority, its Treasurer, any Assistant Treasurer, Secretary, any Assistant Secretary, its Executive Director, its Director of Thruway Finance and any other person authorized by a resolution or the by-laws of the Authority to perform the act or execute the document in question.

“Bond” or “Bonds” means any bond or bonds payable from amounts in the Senior Debt Service Fund or, to the extent provided in a Supplemental Resolution, any other indebtedness of the Authority payable from amounts in the Senior Debt Service Fund, which may include, but is not limited to, any additional payment obligations in connection with a Qualified Swap, a Qualified Reverse Swap, a Parity Reimbursement Obligation or a capital lease undertaken in connection with the issuance of certificates of participation; provided, however, that such terms shall not include any Bond Anticipation Notes, Junior Indebtedness or Subordinated Indebtedness.

“Bond Anticipation Notes” shall mean notes issued pursuant to Section 207 hereof.

“Bondholder,” “Holder” or “Holder of Bonds,” or any similar term, means any person who shall be the registered owner of any Outstanding Bond or Bonds.

“Bond Year” means, unless otherwise stated in an applicable Supplemental Resolution, a period of twelve (12) consecutive months beginning January 2 in any calendar year and ending on January 1 of the succeeding calendar year.

“Business Day” means a day of the year which is not a Saturday, Sunday or legal holiday in the State and not a day on which the Authority, State offices, the Trustee, Paying Agent or provider of a Credit Facility or Reserve Credit Facility are authorized or obligated to close.

“Capital Appreciation and Current Interest Bonds” means any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in the Supplemental Resolution or related Certificate of Determination providing for the issuance of such Bonds and the Appreciated Value for such Bonds is compounded semi-annually on each of the applicable semi-annual dates designated for compounding prior to the Interest Commencement Date for such Bonds, all as so designated by Supplemental Resolution or related Certificate of Determination providing for the issuance of such Bonds.

“Capital Appreciation Bonds” means Bonds of a Series the interest on which (1) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Resolution or the Certificate of Determination authorizing the issuance of such Bonds and (2) is payable upon the maturity or redemption of such Bonds.

“Capital Funds” when used with respect to any Fiduciary means the total of (i) paid in capital, (ii) surplus, (iii) undivided profits and (iv) the par value of outstanding capital notes issued and subordinated to the claims of creditors of such Fiduciary other than the holders of such capital notes.

“Certificate of Determination” means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under a Supplemental Resolution.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the Regulations, including temporary and proposed Regulations, relating to such section which are applicable to the Resolution, including the Bonds or the use of Bond proceeds.

“Construction Fund” means the Fund designated as the Construction Fund established in Section 502 hereof.

“Cost or Costs of Issuance” means the items of expense incurred in connection with the authorization, sale and issuance of a Series of Bonds or Bond Anticipation Notes, which items of expense may include, but are not limited to, Authority expenses, State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, legal fees and charges, professional consultants’ fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for Credit Facilities, Reserve Credit Facilities, Qualified Swaps, Qualified Reverse Swaps and other similar financial arrangements, costs and expenses of refunding such Bonds and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

“Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the practice of law relating to municipal, state and public agency financing selected by the Authority.

“Credit Facility” means any letter of credit, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument which is issued by a financial, insurance or other institution and which provides security or liquidity in respect of the Bonds of any Series (and with respect to a policy of bond insurance guarantees the payment of principal of and interest on the Bonds), not including any Reserve Credit Facility.

“Current Interest Bonds” means Bonds of a Series the interest on which is payable on the Interest Payment Dates provided therefor in a Supplemental Resolution.

“Date of Completion” means (i) in the case of the construction of any vehicular bridge or road, the date on which such bridge or road is opened to vehicular traffic (as evidenced by an Authority Engineer’s Certificate), and (ii) in any other case, the date on which the acquisition, construction, improvement, reconstruction or rehabilitation of a Facility is completed (as evidenced by an Authority Engineer’s Certificate).

“Debt Service” for any period means, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest accruing during such period on the Bonds of such Series, including, to the extent not otherwise provided in a Supplemental Resolution, all net amounts due and payable by the Authority and all net amounts to accrue to the end of such period pursuant to a Qualified Swap, Qualified Reverse Swap or Parity Reimbursement Obligation, and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment payment date for such Series (or, if there shall be no such preceding Principal Installment payment date, from a date one year prior to the due date of the first Principal Installment of the Bonds of such Series); provided, however, that in calculating Aggregate Debt Service for purposes of Sections 204, 205(B)(1), 609 and 616, Debt Service on Outstanding Bonds for which the Authority has entered into a Qualified Swap shall be calculated assuming that the interest rate on such Bonds shall equal the stated fixed rate on the Qualified Swap. Such interest and Principal Installments shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, provided, however, that there shall be excluded from “Debt Service” (1) interest on Bonds to the extent that Escrowed Interest is available to pay such interest, (2) Principal Installments on Bonds to the extent that Escrowed Principal is available to pay such Principal Installments, and (3) interest funded from Bond proceeds to the extent that such amounts are held by the Trustee in the Senior Debt Service Fund for such purpose.

“Defeased Municipal Obligations” means pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s and meeting the following requirements:

- (a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the Authority, the Trustee or the Paying Agent has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions; and
- (b) the municipal obligations are fully secured by cash or Government Obligations which may be applied only to payment of the principal of and interest and premium, if any, on such municipal obligations.

“Depository” means any bank or trust company or national banking association selected by the Authority, the Trustee (with the consent of the Authority), or the Paying Agent (with the consent of the Authority) as a depository of moneys and securities held under the provisions of this Resolution and may include the Trustee or the Paying Agent.

“Escrowed Interest” means amounts irrevocably deposited in escrow or earnings on such amounts which are required to be applied to pay interest on particular Bonds.

“Escrowed Principal” means amounts irrevocably deposited in escrow or earnings on such amounts which are required to be applied to pay Principal Installment on particular Bonds.

“Estimated Aggregate Debt Service” means, for any period and as of any particular date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds then Outstanding; provided, however, that in computing such Estimated Aggregate Debt Service, any particular Variable Interest Rate Bonds shall be deemed to bear at all times, to the maturity date thereof, the Estimated Average Interest Rate applicable thereto.

“Estimated Average Interest Rate” means as to any Variable Interest Rate Bonds the interest rate that would have been borne by such Bonds if such Bonds had been sold as fixed interest rate Bonds of the Authority (i) without the benefit of any credit enhancement and (ii) with the same final maturity or maturities (without giving effect to puts or tenders) as the Variable Interest Rate Bonds actually sold, as estimated by the Authority on the date of sale of such Bonds.

“Event of Default” means any Event of Default set forth in Section 1101 hereof.

“Facilities” means the Original Project and any Additional Project (but not including an Other Authority Project that does not constitute an Additional Project).

“Facilities Capital Improvement Fund” means the Fund designated as the Facilities Capital Improvement Fund established in Section 502 hereof.

“Facility Capital Improvements” means, as applicable to the Original Project or any Additional Project, as may be determined by the Authority Board to be necessary or appropriate, any construction, reconstruction, rehabilitation, widening (including construction of any parallel spans or thoroughfares to any existing Facility bridge or tunnel) or relocation thereof, any extraordinary repairs, modifications or improvements thereto or with respect to any portion thereof, or any incidental expansion thereof or incidental extension thereto, or with respect to any portion thereof, including:

(i) incidental connecting tunnels, bridges, overpasses and underpasses, as well as existing interchanges (with regard to the Original Project, such existing interchanges shall expressly include, subject to Authority Board approval, any new interchange or interchanges providing access to Stewart International Airport and Interstate Route 84, from that portion of the Original Project constituting Interstate Route 87), new interchanges determined by the Authority Board to be necessary or appropriate for the proper operation of the applicable Facility in order to relieve congestion, to promote the efficient operation thereof, or to enhance the safe operation thereof; and

(ii) administration, storage and other buildings, toll facilities and equipment, entrance plazas, service areas and stations, barriers, machinery, equipment and other facilities relating to the construction, reconstruction, operation or maintenance of any Facility, acquisition of rights-of-way or other interests in real property necessary or appropriate for any of the activities described above in this definition.

“Fiduciary” means the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

“Fiscal Agent” shall have the meaning set forth in Section 504(1) hereof.

“Fund” means any one of the funds created and established pursuant to this Resolution.

“General Reserve Fund” means the fund designated as the General Reserve Fund established in Section 502 hereof.

“Government Obligations” means (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America and entitled to the full faith and credit thereof; (b) certificates, depository receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company organized under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, with a combined capital stock, surplus and undivided profits of at least \$50,000,000 or the custodian is appointed by or on behalf of the United States of America; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depository receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom; and (c) Defeased Municipal Obligations.

“Independent Consultant” means an independent licensed professional engineer or firm of independent licensed professional engineers of recognized national standing (who may be an engineer or firm of engineers retained by the Authority for other purposes) selected by the Authority; provided, however, that in connection with an Additional Project, the Authority may, in a Supplemental Resolution, if it determines that the field of engineering is not the most appropriate professional discipline (in terms of knowledge and expertise in connection with such Additional Project) to deliver any Independent Consultant’s Certificates required by the terms of this Resolution, select members of another professional discipline, including but not limited to accounting, as appropriate, as an Independent Consultant in connection with such Additional Project; provided further that any members of such discipline thereafter selected by the Authority shall be independent and shall be of recognized national standing in such discipline.

“Independent Consultant’s Certificate” means a certificate or an opinion signed and delivered by an Independent Consultant pursuant to the terms of this Resolution.

“Interest Commencement Date” means, with respect to any particular Capital Appreciation and Current Interest Bond, the date, which must be an Interest Payment Date, as set forth in the Supplemental Resolution or related Certificate of Determination providing for the issuance of such Bond (which date must be prior to the scheduled maturity date for such Bond) after which interest accruing on such Bond shall be payable semi-annually, with the first such payment being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

“Interest Payment Date” means, with respect to a Series of Bonds, each date on which interest, if any, is payable pursuant to the Supplemental Resolution authorizing such Bonds.

“Investment Obligations,” means, to the extent the same are at the time legal for investment of funds of the Authority under the Act or under other applicable law:

- (a) (i) Government Obligations and (ii) bonds, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association, the Federal Financing Bank, the Federal Home Loan Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the Government National Mortgage Association, or any other agency controlled by or supervised by and acting as an instrumentality of the United States government,
- (b) certificates of deposit issued by, and time deposits in, and bankers’ acceptances of, any bank (including any Paying Agent or Trustee), any branch of any bank, national banking association or federally chartered savings and loan association; provided that, with respect to any of the foregoing institutions, whose long-term unsecured indebtedness is

rated less than A by Moody's or S&P, such certificates of deposit or time deposits are (i) insured by the Federal Deposit Insurance Corporation for the full face amount thereof or (ii) to the extent not so insured, collateralized by direct obligations of the United States of America having a market value of not less than the face amount of such certificates and deposits,

- (c) evidences of ownership of a proportionate interest in specified direct obligations of the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, or when "stripped" by the United States Treasury, then by the custodian designated by the United States Treasury,
- (d) obligations of state or local government municipal bond issuers which are rated in one of the two highest Rating Categories by S&P and Moody's,
- (e) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured by an insurance policy or guaranteed by a letter of credit and which are rated in one of the two highest Rating Categories by S&P and Moody's,
- (f) interests in a money market mutual fund registered under the Investment Company Act of 1940, 15 U.S.C. §§80-1, et seq., as from time to time amended, the portfolio of which is limited to obligations described in clause (a), (d), or (e) above and repurchase agreements fully collateralized thereby provided that such fund has total assets of at least \$100,000,000 and is rated in the highest Rating Category by S&P and Moody's,
- (g) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian,
- (h) any repurchase agreement for Government Obligations by the Authority or any Trustee that is with a bank, trust company (including any Trustee) or securities dealer which is a member of the Securities Investors Protective Corporation, each of which is a primary reporting dealer in government securities as determined by the Federal Reserve Bank, or if "primary reporting dealers" cease to be determined by the Federal Reserve Bank, such other comparable standard as the Authority shall implement pursuant to a Supplemental Resolution; provided, however, that the Government Obligations must be transferred to the Authority or any Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer or registrar of such obligations, and the collateral security must continually have a market value at least equal to the amount so invested and the collateral must be free of third party claims. Any investment in a repurchase agreement shall be considered to mature on the date the bank, trust company or recognized securities dealer providing the repurchase agreement is obligated to repurchase the Government Obligations,
- (i) commercial paper rated in the highest Rating Category by S&P and Moody's, and
- (j) any other obligations from time to time permitted pursuant to the Act or other applicable law, provided, however, that if the funds invested in any such obligation are pledged for the payment of Bonds hereunder and the Bonds are then rated by Moody's or S&P, such obligation shall be rated in one of the two highest Rating Categories of each such rating agency or, if such obligation is not then rated by either rating agency, an obligation of comparable credit quality of the same issuer is rated in one of the two highest Rating Categories of such rating agency.

Any investment in obligations described in (a), (c), (d), (e), (f), (g), (h) and (i) above may be made in the form of an entry made on the records of the issuer of the particular obligation.

“Junior Indebtedness” means any evidence of indebtedness of the Authority payable out of the Junior Indebtedness Fund.

“Junior Indebtedness Fund” means the Fund designated as the Junior Indebtedness Fund established in Section 502 hereof.

“Maximum Annual Debt Service” means, as of any date of calculation, an amount equal to the greatest amount of Aggregate Debt Service for the current or any future 12-month period. For purposes of this definition, interest with respect to any Variable Interest Rate Bonds shall be calculated using the Maximum Interest Rate with respect to such Bonds.

“Maximum Interest Rate” means, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Resolution authorizing such Bonds, that shall be the maximum rate of interest such Bonds may at any time bear; provided, however, that (a) should the Authority obtain insurance or other coverage which provides that any increase in the variable interest rate on any Variable Interest Rate Bonds above a threshold rate will be reimbursed or paid by the insurer or provider of such other coverage, such threshold rate will be deemed to be the Maximum Interest Rate and (b) with respect to fixed interest rate Bonds deemed to be Variable Interest Rate Bonds because of a Qualified Reverse Swap entered in connection therewith, the Maximum Interest Rate shall be (i) the fixed interest rate of such Bonds for so long as the aggregate Outstanding principal amount of all such fixed interest rate Bonds deemed to be Variable Interest Rate Bonds is less than or equal to 5% of the aggregate principal amount of all Bonds Outstanding, and (ii) otherwise shall be the maximum interest rate of such Qualified Reverse Swap. With respect to the immediately preceding clause (a), the insurer or provider of such other coverage providing such insurance policy or other coverage shall be an insurer or bank whose insurance policies or other coverage are rated in the highest Rating Category by S&P and Moody’s.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporations shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

“Net Revenue Requirement” means, with respect to any period of time, an amount equal to the greater of (i) the sum of (A) Aggregate Debt Service, (B) amounts required to make deposits to the Senior Debt Service Reserve Fund, if any, (C) amounts required to make Reserve Maintenance Payments, and (D) amounts required to be deposited in the Junior Indebtedness Fund pursuant to the Supplemental Resolution or other resolution or agreement authorizing outstanding Junior Indebtedness or (ii) 1.20 times the sum of the Aggregate Debt Service for such period; provided, however, that “Aggregate Debt Service” for purposes of calculating the Net Revenue Requirement may be reduced by an amount equal to investment income on the Senior Debt Service Fund and on the Senior Debt Service Reserve Fund to the extent such investment income is required to be retained in or transferred to the Senior Debt Service Fund, as appropriate, pursuant to a Supplemental Resolution, such amount to be calculated at the rate per annum equal to the lesser of (A) the then current yield on five year obligations of the United States Treasury and (B) the actual income to be earned as estimated by an Authorized Officer.

“Net Revenues” for any period means the amount of the excess of the Revenues over the Operating Expenses during such period; provided, however, that in calculating such amount there shall be excluded from “Revenues” any amounts that (i) are subject to appropriation by the Congress of the United States, the Legislature of the State or any other legislative body of a governmental entity or (ii) are not reasonably expected by the Authority to recur annually in predictable amounts until the scheduled retirement at maturity or pursuant to Sinking Fund Installments of all Bonds Outstanding or then proposed to be Outstanding.

“New Extension” means an additional tolled roadway or an extension to or expansion of any Facility constituting a tolled roadway (including in either case tunnels and bridges), in each case which fully satisfies the requirements of Section 620 and upon such satisfaction is designated by the Authority as an Additional Project; provided that such Additional Project shall be (i) within the jurisdiction and control of the Authority and

(ii) undertaken for transportation or transportation-related purposes (including related necessary or appropriate economic development activities).

“New Interchange” means an interchange on any Facility constituting a tolled roadway which fully satisfies the requirements of Section 620 and upon such satisfaction is designated by the Authority as an Additional Project; provided that such Additional Project shall be (i) within the jurisdiction and control of the Authority and (ii) undertaken for transportation or transportation-related purposes (including related necessary or appropriate economic development activities).

“New York State Thruway” means The Governor Thomas E. Dewey Thruway, as defined in the Act.

“Operating Expenses” means the expenses incurred for operation, maintenance and repair, ordinary replacement and ordinary reconstruction of any Facility or any part thereof and shall include, without limiting the generality of the foregoing, administrative expenses, premiums and reserves for insurance and self-insurance, fees or premiums for a Credit Facility, Reserve Credit Facility, Qualified Swap or Qualified Reverse Swap, legal and engineering expenses, payments into pension, retirement, health and hospitalization funds, and any other expenses required by Subdivision 4 of Section 359 of the Act, as in effect on the date of delivery of the first Series of Bonds under this General Revenue Bond Resolution, to be paid by the Authority, all to the extent properly and directly attributable to the operation of the Original Project, and rental payments in connection with operating leases entered in the ordinary course of business, all to the extent properly and directly attributable to any Facility, and the expenses and compensation of the Fiduciaries required to be paid under the Resolution; but does not include (i) any costs or expenses for new construction or for major reconstruction or (ii) any provision for interest, depreciation, amortization or similar charges.

“Operating Fund” means the fund designated as the Operating Fund established in Section 502 hereof.

“Original Principal Amount” means, with respect to any Capital Appreciation Bond of a Series, the initial public offering price of such Bond.

“Original Project” means all New York State Thruway sections and connections constituting roads or bridges, authorized by the Act as in effect on, and open to traffic on the date of adoption of this General Revenue Bond Resolution, except that section of the New York State Thruway added by Chapter 53 of the Laws of 1991, as amended by Chapter 53 of the Laws of 1992, together with any Facility Capital Improvements related thereto.

“Other Authority Project” means one or more facilities and other real and personal property, or any interest therein, which the Authority may now or hereafter be authorized to acquire, design, construct, maintain, operate, finance, improve, reconstruct, rehabilitate or otherwise undertake for transportation or transportation-related purposes (including related necessary or appropriate economic development activities). Each Other Authority Project shall be within the jurisdiction and control of the Authority and shall be designated as an Other Authority Project by a Supplemental Resolution adopted pursuant to Article IX, and if not so designated shall not become an Other Authority Project. Notwithstanding the foregoing, the following projects, to the extent authorized by law, shall in any event be deemed Other Authority Projects regardless of whether the Authority has jurisdiction and control of such projects and whether designated by a Supplemental Resolution: (1) the project, or portions thereof, known as the inner harbor project and the intermodal transportation project located in Onondaga County, including but not limited to the consolidation of the Syracuse canal terminal and the planning, design and construction of an intermodal transportation facility; (2) the project, or portions thereof, known as the horizons waterfront development project generally located in and around Erie County; (3) the project, or portions thereof, known as the Stewart Airport access project located in Orange County and intended to provide direct access to Stewart International Airport from Interstate Route 84 in the vicinity of the airport, (4) the project, or portions thereof known as the New York State canal system, and all canal lands and canal terminals related thereto, (5) the project, or portions thereof, constituting the bridge that is to cross the Mohawk River (together with necessary approaches) and connect Interstate Route 890 and the portion of the Original Project constituting Interstate Route 90 to State Route 5, and (6) the project, with that level of Authority financial or other participation as may be approved by the Authority

Board, to study, initiate, construct, operate and implement ferry service between Rockland/Westchester counties, originating in the vicinity of the Tappan Zee Bridge, and terminating in Manhattan.

“Other Authority Project Cost” shall have the meaning set forth for such term in the definition of “Project Cost” in this Section 102.

“Other Authority Projects Operating Fund” means the Fund designated as the Other Authority Projects Operating Fund established in Section 502 hereof.

“Outstanding,” when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

- (i) Any Bond cancelled or delivered for cancellation at or prior to such date;
- (ii) Any Bond (or portion of a Bond) deemed to have been paid in accordance with Section 1104 hereof; or
- (iii) Any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III; Section 406 or Section 1006;

provided, however, that, unless required pursuant to a Supplemental Resolution, a Qualified Swap, Qualified Reverse Swap or Parity Reimbursement Obligation shall not, by itself, increase the Outstanding principal amount of Bonds.

“Parity Reimbursement Obligation” shall have the meaning provided in clause (d) of Section 206.

“Paying Agent” or “Paying Agents” means any paying agent for the Bonds of any Series appointed pursuant to Section 802 hereof, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution, and in the event that for any reason there shall be a vacancy in the office of Paying Agent, the Authority shall act as such Paying Agent.

“Principal” or “principal” means (1) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), provided, however, when used in connection with (a) the authorization and issuance of Bonds and (b) the order of priority of payments of Bonds after a default under Article XI hereof, “Principal” or “principal” means the Original Principal Amount of a Capital Appreciation Bond (the difference between the Accreted Amount and the Original Principal Amount being deemed interest), and provided further, however, that when used in connection with determining whether the Bondholders of the requisite principal amount of Outstanding Bonds have given any required consent, notice, waiver, request, demand, authorization, direction or notice, “Principal” or “principal” means the Accreted Amount, (2) with respect to any Capital Appreciation and Current Interest Bond, the Appreciated Value thereof, and (3) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

“Principal Installment” means, as of any date of calculation and with respect to any Series, (a) the Principal amount of Outstanding Bonds of such Series, due on the dates and in the amounts, in each case as specified in the Supplemental Resolution authorizing such Series, reduced by the Principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with this Resolution of Sinking Fund Installments payable before such future date, plus the unsatisfied balance of any Sinking Fund Installment due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Installments in a principal amount equal to such unsatisfied balance, and (b) with respect to any amounts due under any Parity Reimbursement Obligation, the Principal amount of such amounts due under any Parity Reimbursement Obligation.

“Prior General Revenue Bonds” means the bonds issued pursuant to, and remaining outstanding under the terms of, the Authority’s General Revenue Bond Resolution adopted June 7, 1954, as amended and supplemented to the date hereof.

“Project Cost” with respect to any Facility, shall mean (i) the costs incurred or to be incurred by the Authority in connection with or incidental to the acquisition, design, construction, improvement, reconstruction or rehabilitation of such Facility, including legal, administrative, engineering, planning, design, studies, insurance costs and financing costs of such Facility (except to the extent such costs are funded from the proceeds of any indebtedness of the Authority, the payment of which is included as a Project Cost under clause (iii) below), (ii) amounts, if any, required by the Resolution to be paid into any Fund or account upon the issuance of any Series, (iii) payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on Bond Anticipation Notes, (iv) costs of equipment and supplies and initial working capital and reserves required by the Authority for the commencement of operation of such Facility, (v) costs of acquisition by the Authority of real or personal property or any interest therein, including land required for relocation and relocation costs and land required for environmental mitigation, (vi) any other costs properly attributable to the acquisition, design, construction, improvement, reconstruction or rehabilitation of such Facility, including costs of any Facility Capital Improvements, and (vii) interest on Bonds during the estimated period of construction and for a reasonable period thereafter. As distinguished from Project Costs, any such costs incurred in connection with an Other Authority Project that has not been designated an Additional Project shall be hereinafter referred to as “Other Authority Project Costs.”

“Qualified Reverse Swap” means, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) that is entered into by the Authority in connection with Bonds bearing interest at a fixed rate of interest in the expectation of lowering the Authority’s costs of incurring such indebtedness, (ii) that is entered into by the Authority for a term of more than five years, (iii) the net effect of which, together with the interest rate borne by such Bonds, is a variable rate of interest to the Authority during the term of such arrangement, and (iv) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Reverse Swap with respect to such Bonds.

“Qualified Swap” means, to the extent from time to time permitted pursuant to law, with respect to Bonds, any financial arrangement (i) that is entered into by the Authority with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) which provides that the Authority shall pay to such entity an amount based on the interest accruing at a fixed rate on an amount equal either to the principal amount of such Bonds of such Series or a notional principal amount relating to such Series, and that such entity shall pay to the Authority an amount based on the interest accruing on such actual or notional principal amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Bonds) or that one shall pay to the other any net amount due under such arrangement or such other similar arrangement, the net effect of such arrangement and the interest rate borne by such Bonds is at all times a fixed interest rate to the Authority; (iii) which provides for a commencement date and a termination date identical to the term or remaining term of such Bonds, taking into account any conversion of Bonds from a variable interest rate to a fixed interest rate as a termination date; and (iv) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Swap with respect to such Bonds.

“Qualified Swap Provider” means, with respect to a Series of Bonds, an entity whose senior long term obligations, other senior long term obligations or claims paying ability or whose payment obligations under a Qualified Swap are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability are rated either (i) at least as high as A3 by Moody’s, and A- by S&P, or the equivalent thereof by any successor thereto for so long as such rating agency is then maintaining a rating on the Bonds Outstanding, but in no event lower than any Rating Category designated by each such rating agency for the Bonds Outstanding subject to such Qualified Swap, or (ii) any such lower Rating Categories which each such rating agency then maintaining a rating on the Bonds Outstanding indicates in writing to the Authority and the Trustee will not, but itself, result in a reduction or withdrawal of its rating on the Bonds Outstanding subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

“Rating Categories” means one of the generic rating categories of either Moody’s or S&P without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

“Rebate Amount” means, with respect to each Series of Bonds, the amount equal to the rebatable arbitrage and any income attributable to the rebatable arbitrage as required by the Code.

“Rebate Fund” means the Fund designated as the Rebate Fund established in Section 502.

“Record Date” means with respect to any Interest Payment Date, unless the applicable Supplemental Resolution authorizing a particular Series of Bonds or a Certificate of Determination relating thereto provides otherwise with respect to Bonds of such Series, the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date.

“Redemption Date” means the date upon which Bonds are to be called for redemption pursuant to this Resolution.

“Redemption Price” means, with respect to any Bonds, the Principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof.

“Refunding Bonds” means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered pursuant to Article III hereof, on original issuance pursuant to Section 203 and Section 205, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or Section 1006 hereof.

“Regulations” means the Income Tax Regulations promulgated by the Department of the Treasury from time to time.

“Reimbursement Obligation” shall have the meaning provided in clause (d) of Section 206.

“Reserve Credit Facility” means (a) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest rating categories by each nationally recognized rating agency then rating any Series of Bonds, or if no Series of Bonds is then rated, by any nationally recognized rating agency, and (b) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured by which are rated in one of the two highest rating categories by each nationally recognized rating agency then rating any Series of Bonds, or if no Series of Bonds is then rated, by a nationally recognized rating agency, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of the Senior Debt Service Reserve Fund Requirement.

“Reserve Maintenance Fund” means the Fund designated as the Reserve Maintenance Fund established in Section 502 hereof.

“Reserve Maintenance Payments” means an amount described as such for a particular Authority fiscal year in the Authority Budget, which for each fiscal year of the Authority shall be an amount no less than the greater of (i) \$30,000,000 or (ii) the amount specified in an Independent Consultant’s Certificate for such Authority fiscal year (the amount so specified in each Authority Budget being the “Minimum Amount”); provided further that Reserve Maintenance Payments may not exceed an amount or amounts from time to time established by the Authority pursuant to a Supplemental Resolution (the “Maximum Amount”); provided further that any such Maximum Amount shall not be less than the Minimum Amount. For purposes of the tests set forth in Sections 616 and 620 hereof, for any period beyond the term of an Authority Budget, “Reserve Maintenance Payments” shall be based upon estimates provided in an Independent Consultant’s Certificate.

“Resolution” means this General Revenue Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions hereof.

“Revenue Fund” means the Fund designated as the Revenue Fund established in Section 502 hereof.

“Revenues” means (i) all tolls, revenues, fees, charges, rent and other income and receipts derived from the operation, jurisdiction and control of the Facilities, (ii) the proceeds of any use and occupancy insurance relating to the Facilities and of any other insurance which insures against loss of Revenues, and (iii) investment income received on any moneys or securities held under the Resolution other than investment income on amounts held in the Rebate Fund, Junior Indebtedness Fund or any other Fund to the extent the investment income from such Fund or any account thereof is not transferred to the Revenue Fund pursuant to the Resolution. “Revenues” shall not include the proceeds of any gifts, grants or other income to the Authority from the government of the United States or the State, any public instrumentality of the State or any other individual or entity, to the extent the Authority is precluded by law, the grant or other operative contract or instrument from applying such amounts to Operating Expenses and Debt Service.

“S&P” means Standard & Poor’s Corporation, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

“Senior Debt Service Account” means the account designated as the Senior Debt Service Account established in Section 502 hereof.

“Senior Debt Service Fund” means the Fund designated as the Senior Debt Service Fund established in Section 502 hereof.

“Senior Debt Service Reserve Fund” means the Fund designated as the Senior Debt Service Reserve Fund established in Section 502 hereof.

“Senior Debt Service Reserve Fund Requirement” means, as of any date of calculation, an amount equal to the maximum amount of Aggregate Debt Service for any 12-month period (exclusive of accrued interest, if any) on all Outstanding Bonds secured by the Senior Debt Service Reserve Fund; provided that (i) with respect to Variable Interest Rate Bonds, interest on such Bonds shall be calculated at the Estimated Average Interest Rate until conversion to a fixed rate of interest at which time such requirement shall be recalculated in accordance with actual Debt Service thereafter due and payable for any ensuing 12-month period with respect to such Bonds and (ii) for the purposes of determining the amount required to be on deposit and thereafter maintained in the Senior Debt Service Reserve Fund with respect to any Series of Bonds the interest on which is excludable from gross income for federal income tax purposes, to the extent required to maintain the federal tax status of interest on such Bonds, the Senior Debt Service Reserve Fund Requirement shall at no time exceed the sum of the Senior Debt Service Reserve Fund Requirement immediately prior to the issuance of such Series and an amount equal to ten per centum (10%) of the proceeds (as such term is used in Section 148(d) of the Code) from the sale of such Series.

“Serial Bonds” means the Bonds so designated in a Supplemental Resolution or a Certificate of Determination.

“Series” means all of the Bonds authenticated and delivered on original issuance and denominated as part of the same series, and thereafter delivered in lieu of or in substitution of such Bonds pursuant to Article III, Section 406 or Section 1006 hereof regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

“Sinking Fund Installment” means, with respect to any Series of Bonds, as of any date of calculation and with respect to any Bonds of such Series, the amount of money required by the applicable Supplemental Resolution pursuant to which such Bonds were issued, to be paid in all events by the Authority on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of such Bond.

“State” means the State of New York.

“Subordinated Indebtedness” means any evidence of indebtedness of the Authority payable out of amounts available in the General Reserve Fund.

“Supplemental Resolution” shall mean any resolution supplemental to or amendatory of the Resolution, adopted by the Authority and becoming effective in accordance with Article IX hereof.

“Term Bonds” means with respect to Bonds of a Series, the Bonds so designated in an applicable Supplemental Resolution or the applicable Certificate of Determination and payable from Sinking Fund Installments.

“Test Period” means a period of time consisting of the greater of (i) the next succeeding five Authority fiscal years and (ii) the period extending from the next succeeding Authority fiscal year through the second Authority fiscal year following the estimated Date of Completion of any Facility not then completed.

“Trustee” means a trustee appointed by the Authority pursuant to Section 801 hereof, its successor and assigns, and any other corporation or association which may at any time be substituted in its place as provided herein.

“Variable Interest Rate Bonds” means Bonds which bear a variable interest rate but does not include any Bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate; provided, however, that Bonds bearing a variable rate of interest shall not be deemed Variable Interest Rate Bonds if (a) the Authority has entered into a Qualified Swap with respect to such Bonds (but only for so long as such Qualified Swap meets all requirements of a “Qualified Swap” as defined in Section 102 hereof) or (b) each of the following conditions is met: (i) such Bonds are issued concurrently in equal principal amounts with other Bonds bearing a variable rate of interest, (ii) such Bonds and such other Bonds are required to remain Outstanding in equal principal amounts at all times, and (iii) the net effect of such equal principal amounts and variable interest rates is at all times a fixed interest rate to the Authority; provided further that, except for purposes of establishing the amount of the Senior Debt Service Reserve Fund Requirement, (1) Bonds bearing a fixed rate of interest shall be deemed Variable Interest Rate Bonds to the extent that the Authority has entered into a Qualified Reverse Swap and (2) the derivative rate of such arrangement shall be deemed to be the variable interest rate of such Bonds.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Resolution refer to this Resolution.

Section 103. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act.

Section 104. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Resolution.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authorization of Bonds. The Resolution creates an issue of Bonds of the Authority to be designated as “General Revenue Bonds” and creates a continuing pledge and lien to secure the full and final payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, all the Bonds. The Bonds shall be direct and general obligations of the Authority, and the full faith and credit of the Authority are hereby pledged for the payment of such principal, Redemption Price, interest, and Sinking Fund Installments. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as provided in the Resolution or as limited by law.

The Bonds may, if and when authorized by the Authority pursuant to one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name “General Revenue Bonds,” shall include such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series, as the Authority may determine; provided that with respect to any Bond denominated as a note, capital lease or other form of obligation, the Authority may denominate such obligation as other than a “Bond”. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

Section 202. General Provisions for Issuance of Bonds.

1. The issuance of Bonds of a Series shall be authorized by a Supplemental Resolution or Supplemental Resolutions adopted at the time of or subsequent to the adoption hereof and which shall be subject to the express limitations hereof. The Bonds of a Series authorized to be issued shall be executed in accordance with Section 303 hereof and delivered to the Trustee. Such Series of Bonds shall be authenticated by the Trustee from time to time in such amounts as directed by the Authority and by it delivered to or upon the order of the Authority upon receipt of the consideration therefor and upon delivery to the Trustee of:

(A) a copy of the Supplemental Resolution authorizing such Series, certified by an Authorized Officer, which shall specify the following items (or the manner of determining such items prior to the delivery of the Bonds):

(i) The authorized principal amount (by reference to the amount payable at maturity thereof), designation and Series of such Bonds;

(ii) The purposes for which such Series of Bonds is being issued, which shall be one or more of the following (a) in the case of the initial Series of Bonds, the refunding of the Prior General Revenue Bonds in order to discharge and satisfy all covenants, agreements and other obligations of the Authority to the holders thereof, (b) one or more of the purposes specified in Sections 203 or 204 hereof, or (c) the refunding of Bonds as provided in Section 205 hereof;

(iii) The date or dates, and the maturity date or dates and principal amounts of each maturity of the Bonds of such Series, provided that each maturity date shall fall upon an Interest Payment Date for such Bonds;

(iv) The amount, or the method for determining such amount, and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series;

(v) The Record Date or Record Dates of Bonds of such Series for which the Record Date or Record Dates is other than the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date for such Bonds;

(vi) The interest rate or rates (including a zero interest rate or variable interest rate) of the Bonds of such Series, or the manner of determining such rate or rates, and the Interest Payment Dates

therefor, provided that the Supplemental Resolution shall specify the maximum rate of interest that the Bonds of such Series may bear and the Interest Payment Dates of the Bonds of such Series;

(vii) The denomination or denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series;

(viii) The Paying Agent or Paying Agents, if any, and the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if any, of and interest on the Bonds of such Series, or the method of determining the same;

(ix) The redemption provisions applicable to the Bonds of such Series;

(x) Provisions for time, place and manner of sale or exchange of the Bonds of such Series, including put or tender provisions relating to Variable Interest Rate Bonds;

(xi) The form or forms of the Bonds of such Series and the form of the Trustee's certificate of authentication thereon. All of the Bonds of each Series or subseries, as appropriate, of like maturity shall be identical in all respects, except as to denominations, numbers and letters, and, except as otherwise provided pursuant to a Supplemental Resolution, shall be in fully registered form without coupons;

(xii) Directions for the application of the proceeds of the Bonds of such Series;

(xiii) To the extent applicable, direction to deliver such Series of Bonds in book-entry form;

(xiv) To the extent applicable, the provisions relating to and the obligations payable under any Credit Facility, Reserve Credit Facility or Qualified Swap or other similar financial arrangement entered into in connection with the issuance of the Bonds of such Series;

(xv) To the extent applicable, provisions relating to Capital Appreciation Bonds and Capital Appreciation and Current Interest Bonds; and

(xvi) Any other provision deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or the applicable Supplemental Resolution.

An Authorized Officer to whom a Supplemental Resolution has delegated the power to determine any of the foregoing shall execute a Certificate of Determination evidencing such determinations or other actions taken pursuant to such delegation, and such Certificate of Determination shall be conclusive evidence of the determinations or actions of such Authorized Officer as to the matters stated therein;

(B) A Counsel's Opinion to the effect that (i) the Authority has the right and power under the Act to adopt this Resolution, and the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Resolution is required, (ii) the Resolution creates the valid pledge to the payment of the Bonds of the proceeds of sale of Bonds, the Revenues, the Funds and accounts established by the Resolution (other than the Rebate Fund, the Junior Indebtedness Fund and, to the extent any Series of Bonds is not secured by the Senior Debt Service Reserve Fund, the Senior Debt Service Reserve Fund), and certain investment income which it purports to create pursuant to Section 501, subject to the provisions of the Resolution permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Resolution, and (iii) upon the execution and delivery thereof and upon authentication by the Trustee, the Bonds of such Series will be valid, binding, direct and general obligations of the Authority payable as provided in, and enforceable in accordance with their terms and the terms of, the Resolution and entitled to the benefits of the Act and the Resolution, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, as amended to the date of such Counsel's Opinion, and in accordance with the Resolution; provided, however, that such Counsel's Opinion may be qualified to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and similar laws affecting rights and remedies of creditors;

(C) A certificate of an Authorized Officer stating that upon the delivery of the Bonds of such Series, the Authority will not be in default in the performance of any of the terms, provisions or covenants of the Resolution or of any of the Bonds;

(D) A copy of the Certificate of Determination executed in connection with such Series of Bonds;

(E) To the extent authorized by the Authority pursuant to a Supplemental Resolution, one or more Credit Facilities with respect to any Series of Bonds and any agreements deemed necessary in connection therewith;

(F) To the extent authorized by the Authority pursuant to a Supplemental Resolution, one or more Reserve Credit Facilities and any agreements deemed necessary in connection therewith;

(G) A written order of an Authorized Officer as to the delivery of such Series of Bonds, describing such Bonds to be delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered and stating the consideration for such Bonds;

(H) A certificate of an Authorized Officer setting forth (1) the amount of money, if any, to be deposited into the Senior Debt Service Fund, (a) equal to the amount of capitalized interest funded with the proceeds of the Bonds of such Series, if any, and (b) equal to the sum of the interest on the Bonds of such Series from the date of the Bonds of such Series to the date of delivery thereof, (2) the amount of money, if any, required to be deposited into the Senior Debt Service Reserve Fund so that the amounts therein will be at least equal to the Senior Debt Service Reserve Fund Requirement as evidenced by a certificate of an Authorized Officer for all Outstanding Bonds at the date of such delivery of Bonds of such Series, and (3) with respect to any Variable Interest Rate Bonds, the Estimated Average Interest Rate;

(I) Any amounts (in the form of cash or Investment Obligations) required to be deposited with the Trustee at the time of issuance and delivery of the Bonds of such Series;

(J) In the event that Other Authority Project Costs are to be financed or refinanced from the proceeds of Bonds, a certificate of an Authorized Officer specifying (1) the principal amounts, maturities and Sinking Fund Installments of Bonds the proceeds of which are intended either to finance Other Authority Project Costs or to refinance Other Authority Project Costs by refunding Bonds, Junior Indebtedness or Subordinated Indebtedness, in each case, allocable to Other Authority Project Costs and (2) to the extent necessary and appropriate, the principal amounts and maturities of any Bonds previously issued to finance or refinance Other Authority Project Costs that should no longer be used in calculating the limitation set forth in Section 204(B), together with the reasons for such change, which may include (a) such Bonds are no longer Outstanding, (b) proceeds of such Bonds were used to pay Project Costs rather than Other Authority Project Costs, in accordance with the terms of the Resolution, or (c) the Other Authority Project for which Bonds were issued has since been designated an "Additional Project" in accordance with Section 616 hereof; and

(K) Such further documents and moneys as are required by the provisions of Sections 203, 204 or 205, or Article IX or any Supplemental Resolution adopted pursuant to Article IX hereof.

2. The Authority may authorize by Supplemental Resolution the issuance of Capital Appreciation Bonds and Capital Appreciation and Current Interest Bonds.

3. The Authority may authorize by Supplemental Resolution such other provisions relating to a Series of Bonds as are permitted by Section 206 hereof.

4. In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, the Authority also may enter into Qualified Swaps, Qualified Reverse Swaps or, to the extent from time to time permitted pursuant to law, other similar arrangements if the Authority determines that such Qualified Swaps, Qualified Reverse Swaps or other similar arrangements will assist the Authority in more

effectively managing its interest costs. To the extent provided in a Supplemental Resolution, the Authority's payment obligation under any Qualified Swap, Qualified Reverse Swap or other similar arrangement may be made from the Senior Debt Service Fund and, to the extent provided in a Supplemental Resolution, may be secured by the Senior Debt Service Reserve Fund.

Section 203. [RESERVED]

Section 204. Special Provisions for Additional Bonds. One or more Series of Additional Bonds may be authorized and delivered upon original issuance for the purpose of (i) paying the Project Costs (other than Project Costs provided for in clause (iii)), (ii) paying Other Authority Project Costs, to the extent permitted by Subsection (B) of this Section 204, and (iii) paying or providing for the payment of Project Costs of improvement, reconstruction or rehabilitation of one or more Facilities for the purpose of preventing a loss of Net Revenues derived from such Facilities, provided that such loss of Net Revenues would be the result of an emergency or some unusual or extraordinary occurrence and that proceeds of Additional Bonds would not be used for such purpose to the extent that insurance proceeds relating to such occurrence were then available.

(A) The Bonds of any such Series issued for purposes specified in the foregoing clauses (i) and (ii) of this Section shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the other documents and moneys required by the Resolution) of:

1. A certificate of an Authorized Officer setting forth (i) the Net Revenues for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the authentication and delivery of the Bonds of such Series, provided that if any adjustment of rates shall have been placed in effect during such 12-month period, such Net Revenues shall reflect the Revenues which an Independent Consultant's Certificate estimates in the certificate delivered pursuant to paragraph 3 below would have resulted had such rate adjustment been in effect for the entire 12-month period, and (ii) the Net Revenue Requirement for such 12 calendar months, which certificate shall demonstrate that such Net Revenues equal or exceed such Net Revenue Requirement;

2. A certificate of an Authorized Officer familiar with such matters and an Independent Consultant's Certificate, in each case stating whether, to the best of such party's knowledge, any federal, State or other agency is then projecting or planning the construction, improvement or acquisition of any highway or other facility which, in the opinion of such person or firm, may be materially competitive with any part of the Facilities, and the estimated date of completion of such highway or other facility;

3. An Independent Consultant's Certificate setting forth, for the then current Authority fiscal year and each of the Authority fiscal years in the Test Period, estimates of Revenues giving effect to (i) the placing in service of any Facility not yet placed in service and on the assumption that any competitive highway or other facility referred to in its certificate delivered pursuant to paragraph 2 above will be completed on the date therein estimated and will thereafter be in operation during the period covered by such estimates, (ii) any adjustment of rates which shall have been placed in effect subsequent to the beginning of the current Authority fiscal year, as if such toll, fee or charge adjustment had been in effect from the beginning of such Authority fiscal year until the effective date of any subsequent adjustment presumed necessary, and (iii) any adjustment of rates which, in the opinion of the Independent Consultant, would be practicable and necessary to comply with the provisions of the toll, fee and charge covenant in Section 609 hereof, as if such adjustment were to be in effect from its effective date to the effective date of any other such adjustment;

4. An Independent Consultant's Certificate setting forth (i) for the years and taking into account the assumptions specified for the Independent Consultant's Certificate pursuant to paragraph 3 above, estimates of the Operating Expenses giving effect to the placing in service of any Facility taken into account in such paragraph 3, (ii) the estimated total Project Cost, and (iii) the estimated date of placing in service of any Facility taken into account in such paragraph 3;

5. A certificate of an Authorized Officer setting forth (i) the estimated Net Revenues (based on the certificates delivered pursuant to paragraphs 3 and 4 above) for the current Authority fiscal year and each of the years in the Test Period giving effect to the placing in service of any Facility not yet placed in service and (ii) the opinion that such estimated Net Revenues for the current Authority fiscal year and each of the Authority fiscal years

in the Test Period equal or exceed the estimated Net Revenue Requirement (based on the certificate delivered pursuant to paragraph 1 above and assuming the Maximum Interest Rate on any Variable Interest Rate Bonds) for each such year and that estimated Net Revenues in the last full Authority fiscal year of the Test Period equal or exceed Maximum Annual Debt Service on all Bonds Outstanding immediately after the authentication and delivery of the Bonds being issued.

(B) Any Series of Additional Bonds to be issued for the purpose of financing or refinancing Other Authority Project Costs shall be issued only if, in addition to satisfying the conditions of Subsection (A) hereof, the Maximum Annual Debt Service on all Outstanding Bonds issued for the purpose of financing or refinancing Other Authority Project Costs (after the issuance of such Series of Additional Bonds) shall be less than 20% of the amount of Net Revenues calculated pursuant to clause (i) of paragraph 1 of Subsection (A) of this Section 204; provided that there shall not be counted in the calculation of such Maximum Annual Debt Service any Bonds initially issued to finance or refinance an Other Authority Project (1) if such Bonds are no longer Outstanding, (2) if such Other Authority Project has since been designated an "Additional Project" in accordance with Section 616 hereof, or (3) to the extent that the proceeds of such Bonds were used to finance Project Costs rather than Other Authority Project Costs, in accordance with the terms of the Resolution.

(C) Any Series of Additional Bonds to be issued for the purpose described in clause (iii) of the first sentence of this Section 204, shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the other documents and moneys required by the Resolution) of an Independent Consultant's Certificate setting forth (i) in reasonable detail the improvement, reconstruction or rehabilitation for which such payment is to be made, (ii) the estimated Project Cost of such improvement, reconstruction or rehabilitation, (iii) the amounts reasonably expected to be available therefor from insurance proceeds, and (iv) that such improvement, reconstruction or rehabilitation is necessary to prevent a loss of Net Revenues derived therefrom, that such loss would result from an emergency or some unusual or extraordinary occurrence that has occurred and that insurance proceeds relating to such occurrence are not then available in amounts sufficient to improve, reconstruct or rehabilitate such Facility or Facilities to prevent such loss of Net Revenues.

Section 205. Refunding Bonds. One or more Series of Refunding Bonds may be authenticated and delivered to refund all Outstanding Bonds of one or more Series of Bonds, a portion of a Series of Outstanding Bonds, a portion of a maturity of a Series of Outstanding Bonds or any Junior Indebtedness or Subordinated Indebtedness that was issued to finance or refinance Project Costs or Other Authority Project Costs. The Authority Board by resolution of its members may issue Refunding Bonds of a Series in an aggregate principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Section and of the Supplemental Resolution authorizing such Series of Refunding Bonds.

(A) In addition to the requirements of Section 202 hereof, Refunding Bonds of any Series issued to refund Outstanding Bonds shall be authenticated by the Trustee only upon satisfaction of the requirements of Subsection (A) of Section 204 or upon the receipt by the Trustee of:

(1) If the Bonds to be refunded are to be redeemed, irrevocable instructions from the Authority to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a Redemption Date specified in such instructions;

(2) Evidence of due publication of the notice provided for in Section 1104 hereof to the Holders of the Bonds being refunded;

(3) Either or both of (i) moneys in an amount sufficient to effect payment of the principal at the maturity date therefor or the Redemption Price on the applicable Redemption Date of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or Redemption Date, which money shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, and (ii) Government Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of said Section 1104 hereof, which Government Obligations and moneys shall be held in trust and used only as provided in said Section;

(4) A certificate of an Authorized Officer (b) setting forth the Aggregate Debt Service (assuming with respect to any Variable Interest Rate Bonds a Maximum Interest Rate) for the then current and each future Authority fiscal year to and including the Authority fiscal year in which the latest maturity of any Bonds of any Series then Outstanding matures (i) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds, and (ii) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (b) demonstrating that the Aggregate Debt Service (assuming with respect to any Variable Interest Rate Bonds a Maximum Interest Rate) set forth for each Authority fiscal year pursuant to (ii) above is no greater than that set forth for such Authority fiscal year pursuant to (i) above.

(5) A certificate of the Authority containing such additional statements as may be reasonably necessary to show compliance with the requirements of this Section.

(B) Refunding Bonds of a Series issued to refund Junior Indebtedness or Subordinated Indebtedness that was issued to finance or refinance Project Costs or Other Authority Project Costs shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents, securities and moneys required by Section 202) of:

(1) Each of the documents referred to in Subsection (A) of Section 204 and, with respect to a Series issued to refund either Junior Indebtedness or Subordinated Indebtedness that was issued to finance Other Authority Project Costs that has not been designated as an Additional Project, in Subsection (B) of Section 204;

(2) A certificate of the trustee then duly appointed or acting under the indenture, resolution or other appropriate instrument securing and authorizing such Junior Indebtedness or Subordinated Indebtedness, or of the Authority if there shall be no such trustee, that (i) provision has been duly made for the redemption or payment at maturity of such Junior Indebtedness or Subordinated Indebtedness in accordance with the terms thereof, (ii) the pledge securing such Junior Indebtedness or Subordinated Indebtedness and all other rights granted by such indenture, resolution or instrument shall have been discharged and satisfied, and (iii) such trustee or the paying agents for such Junior Indebtedness or Subordinated Indebtedness hold in trust the moneys or securities required to effect such redemption or payment; and

(3) A Counsel's Opinion to the effect that all actions required under the indenture, resolution or other appropriate instrument securing and authorizing such Junior Indebtedness or Subordinated Indebtedness to provide for the redemption or payment of such Junior Indebtedness or Subordinated Indebtedness have been taken.

(C) The proceeds, including accrued interest, of such Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or determined in accordance with the Supplemental Resolution authorizing such Refunding Bonds.

Section 206. Provisions Regarding Bonds Secured by a Credit Facility. (a) The Authority may include such provisions in a Supplemental Resolution or related Certificate of Determination authorizing the issuance of a Series of Bonds secured by a Credit Facility as the Authority deems appropriate, including:

(1) So long as the Credit Facility is in full force and effect, and payment on the Credit Facility is not in default and the issuer of the Credit Facility is qualified to do business, and (a) no proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the issuer of the Credit Facility in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for the issuer of the Credit Facility or for any substantial part of its property or for the winding up or liquidation of the affairs of the issuer of the Credit Facility and such proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) days or such court shall enter a decree or order granting the relief sought in such proceeding , or (b) the issuer of the Credit Facility shall not have commenced a

voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall not have consented to the entry of an order for relief in an involuntary case under any such law, or shall not have consented to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for the issuer of the Credit Facility or for any substantial part of its property, or shall not have made a general assignment for the benefit of creditors, or shall not have failed generally to pay its debts as they become due, or shall not have taken any corporate action with respect to any of the foregoing, then, in all such events, the issuer of the Credit Facility shall be deemed to be the sole Holder of the Outstanding Bonds of such Series when the approval, consent or action of the Bondholders for such Series of Bonds is required or may be exercised under the Resolution, including, without limitation, Articles IX and X hereof, and following a default under Article XI hereof.

(2) In the event that the principal, Sinking Fund Installments, if any, and Redemption Price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Credit Facility, all covenants, agreements and other obligations of the Authority to the Bondholders of such Series of Bonds shall continue to exist and such issuer of the Credit Facility shall be subrogated to the rights of such Bondholders in accordance with the terms of such Credit Facility.

- (a) In addition, such Supplemental Resolution or applicable Certificate of Determination may establish such provisions as are necessary (i) to comply with the provisions of each such Credit Facility, (ii) to provide relevant information to the issuer of the Credit Facility, (iii) to provide a mechanism for paying Principal Installments and interest on such Series of Bonds under the Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the issuer of a Credit Facility.
- (b) In connection therewith the Authority may enter into such agreements with the issuer of such Credit Facility providing for, inter alia: (i) the payment of fees and expenses to such issuer for the issuance of such Credit Facility; (ii) the terms and conditions of such Credit Facility and the Series of Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Credit Facility.
- (c) The Authority may secure such Credit Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Authority in the applicable Supplemental Resolution. The Authority may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility, together with interest thereon (the "Reimbursement Obligation"); provided, however, that no Reimbursement Obligation shall be created, for purposes of this Resolution, until amounts are paid under such Credit Facility. Any such Reimbursement Obligation (a "Parity Reimbursement Obligation") may be secured by a pledge of, and a lien on, Revenues on a parity with the lien created by Section 501 hereof. Any such Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility which gave rise to such Parity Reimbursement Obligation relates.
- (d) Any such Credit Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as specified in the applicable Supplemental Resolution.

Section 207. Bond Anticipation Notes. Whenever the Authority shall have, by Supplemental Resolution, authorized the issuance of a Series of Bonds, the Authority may by resolution authorize the issuance of Bond Anticipation Notes in anticipation of the issuance of such authorized Series of Bonds, in a principal amount not exceeding the principal amount of the Bonds of such Series so authorized. The principal of and premium, if any, and interest on such Bond Anticipation Notes and any renewals of such Bond Anticipation Notes shall be payable only (i) from the proceeds of any renewals of such Bond Anticipation Notes issued to repay such Bond Anticipation Notes, (ii) from the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued, (iii) from any amounts provided by the State and/or the federal government

expressly for payment of such Bond Anticipation Notes, or (iv) from the proceeds of such Bond Anticipation Notes deposited in any Fund or account under the Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Bond Anticipation Notes and any such pledge shall have priority over any other pledge created by the Resolution. In any case, such Bond Anticipation Notes shall be retired or provision shall be made for their retirement not later than the date of authentication and delivery of the Series of Bonds in anticipation of which they are issued. The proceeds of the sale of Bond Anticipation Notes other than renewals thereof shall be applied to the purposes for which the Bonds in anticipation of which such Bond Anticipation Notes are authorized and shall be deposited in the appropriate Fund or account established by the Resolution for such purposes and, if so provided in the resolution authorizing renewals of Bond Anticipation Notes issued to pay outstanding Bond Anticipation Notes, applied directly to such payment. Interest earned on any amounts on deposit in any Fund or account under the Resolution representing the proceeds of any Bond Anticipation Notes shall be applied in the manner set forth in the resolution authorizing such Bond Anticipation Notes.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Medium of Payment; Form and Date. Except to the extent permitted by law and authorized with respect to a Series of Bonds in the related Supplemental Resolution, the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on the Bonds shall be payable as set forth in the Supplemental Resolution authorizing such Bonds.

Except to the extent otherwise provided pursuant to a Supplemental Resolution, the Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons. Any Supplemental Resolution may contain such additional provisions regarding the registration, transfer and exchange of Bonds of such Series as are not inconsistent herewith.

Registered Bonds upon original issuance of a Series of Bonds shall be dated such date as set forth in the Supplemental Resolution authorizing such Series of Bonds or in a Certificate of Determination. Each Bond shall bear interest on the principal amount of such Bond Outstanding until paid or deemed paid in accordance with the terms of the Resolution:

(i) from the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid, or

(ii) from the last preceding Interest Payment Date to which interest has been paid or the date of initial issuance of the Bonds if no interest thereon has been paid,

and interest shall not accrue on unpaid interest.

Section 302. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable and as may be determined by the Authority prior to the delivery thereof.

Section 303. Execution and Authentication. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or its Vice Chairman or other Authorized Officer and its corporate seal (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary or other Authorized Officer of the Authority, or in such other manner as may be required by law. In case any one or more of the officers who shall have signed, sealed or attested any of the Bonds shall cease to be such officer before the Bonds so signed, sealed and attested shall have been actually authenticated and delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed, sealed or attested such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the Authority by such persons as at the actual time of the execution of such Bond shall be duly authorized to hold or hold the proper office in the Authority, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office.

The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the applicable Series Resolution, executed manually by the Trustee unless the applicable Series Resolution shall authorize execution by the Trustee by facsimile signature. Only such Bonds as shall have endorsed thereon a certificate of authentication, duly executed by the Trustee, shall be entitled to any right or benefit under the Resolution. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution unless and until such certificate of authentication on such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under the Resolution. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds.

Section 304. Exchange of Bonds. Registered Bonds, upon surrender thereof at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by its registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

Section 305. Negotiability, Transfer and Registry. All of the Bonds issued under the Resolution shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained herein and in the Bonds. So long as any of the Bonds shall remain Outstanding, there shall be maintained and kept, at the office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Authority shall make all necessary provisions to permit the exchange of Bonds at the office of the Trustee.

Section 306. Book-Entry Bonds. If so provided in the Supplemental Resolution authorizing a Series of Bonds, Bonds may be held by a securities depository and transfers of such Bonds may be effected by book-entry on the books of the securities depository.

Section 307. Transfer of Registered Bonds. The transfer of each registered Bond shall be registrable only upon the books of the Authority, which shall be kept for the purpose at the office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney and the payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such registration of transfer. Upon the registration of transfer of any such registered Bond the Authority shall issue or cause to be issued in the name of the transferee, and cause the Trustee to authenticate, a new registered Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be cancelled by the Trustee.

The Authority, the Trustee and each Paying Agent or Depository may deem and treat the person in whose name any Outstanding registered Bond shall be registered upon the books of the Authority maintained at the office of the Trustee as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority, the Trustee, nor any Paying Agent shall be affected by any notice to the contrary. The Authority agrees to indemnify and save the Trustee and each Paying Agent or Depository harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under the Resolution, in so treating such registered owner.

Section 308. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or registering the transfer of Bonds is exercised, the Authority shall execute and deliver, and the Trustee shall authenticate, Bonds in accordance with the provisions hereof. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or registration of transfer of Bonds, whether temporary or definitive, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and, except (i) with respect to the delivery of definitive Bonds in exchange for temporary Bonds, (ii) in the case of a registered Bond issued upon the first exchange or registration of transfer of a Bond or Bonds surrendered for such purpose within sixty (60) days after the first authentication and delivery of any of the Bonds of the same Series, or (iii) as otherwise provided in the Resolution, may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such exchange or registration of transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be obliged to make any such exchange or transfer of Bonds of any Series during the period beginning on the Record Date for such Bonds next preceding an Interest Payment Date on such Bonds and ending on such Interest Payment Date, or, in the case of any proposed redemption of Bonds of such Series, after the date next preceding the date of the selection of such Bonds to be redeemed.

Section 309. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall thereupon execute and deliver, and the Trustee shall authenticate, a new Bond of like Series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Authority evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and the Trustee may incur. All Bonds so surrendered to the Authority or the Trustee shall be cancelled by or on behalf of the Authority.

Section 310. Preparation of Definitive Bonds; Temporary Bonds. The definitive Bonds of each Series shall be lithographed or printed on steel engraved borders except that Bonds which are held by a Depository may be in any form which is acceptable to such Depository. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 303 hereof, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability, one or more temporary registered Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations of \$5,000 or any multiples thereof authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender at the office of the Trustee of such temporary Bonds, for exchange and the cancellation of such surrendered temporary Bonds, the Authority shall, without charge to the Holder thereof, deliver in exchange therefor, definitive registered Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to the Resolution.

If the Authority shall authorize the issuance of temporary Bonds in more than one denomination, the Holder of any temporary Bond or Bonds may, at his option, surrender the same to the Authority in exchange for another temporary Bond or Bonds of like aggregate principal amount and Series and maturity of any other authorized denomination or denominations, and thereupon the Authority shall execute and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 308 hereof, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such Holder.

All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by or on behalf of the Authority.

Section 311. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds shall thereupon be promptly cancelled. Bonds so cancelled may, at any time, be cremated or otherwise destroyed by the Trustee, who shall execute a certificate of cremation or destruction in duplicate by the signature of one of its authorized officers describing the Bonds so cremated or otherwise destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be filed with the Trustee.

ARTICLE IV

REDEMPTION OF BONDS

Section 401. Authorization of Redemption of an Applicable Series. Bonds of a Series subject to redemption prior to maturity pursuant hereto or to a Supplemental Resolution or a Certificate of Determination shall be redeemable, in accordance with this Article IV, at such times, at such Redemption Prices and upon such terms as may otherwise be specified herein, in the Bonds or in the Supplemental Resolution authorizing such Series or the Certificate of Determination for such Series.

Section 402. Redemption at the Election of the Authority. In the case of any redemption of Bonds of a Series at the election of the Authority, such Bonds may be redeemed at the option of the Authority as provided in the Supplemental Resolution authorizing such Bonds or the Certificate of Determination. In exercising such option, the Authority shall give written notice to the Trustee and any Paying Agent of its election to redeem, including the Series designation, the principal amounts and the maturities of such Bonds so elected. The Series designation, maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained herein. Such notice shall be given to the Trustee at least forty-five (45) days prior to the date on which the Bonds of such Series are to be redeemed, or such fewer number of days as shall be acceptable to the Trustee. The notice of redemption required by Section 405 hereof to be given shall not be given with respect to such Bonds to be redeemed pursuant to this Section unless prior to the date such notice is to be given the Authority shall have paid or caused to be paid to the Trustee (i) an amount of money which, in addition to other money available therefor held by the Trustee, is sufficient to redeem, on the Redemption Date at the Redemption Price thereof, and (ii) accrued interest to the Redemption Date on, all of the Bonds of such Series to be so redeemed.

Section 403. Redemption other than at Authority's Election. Whenever by the terms hereof the Trustee is required or authorized to redeem Bonds of any Series from Sinking Fund Installments, the Trustee shall select the Bonds of such Series to be redeemed. Whenever by the terms hereof the Trustee is required or authorized to redeem Bonds of any Series other than at the election of the Authority and other than through Sinking Fund redemption, the Authority shall select the maturities of the Bonds of such Series to be redeemed by notice thereof given to the Trustee at least ten (10) days prior to the date notice of redemption is mailed. The Trustee shall select the Bonds of the applicable Series and maturities to be redeemed in the manner provided in Section 404 hereof, give the notice of redemption and pay out of moneys available therefor the Redemption Price thereof, together with interest accrued to the Redemption Date, to the Trustee in accordance with the terms of this Article IV.

Section 404. Selection of Bonds to Be Redeemed. In the event of redemption of less than all of the Outstanding Bonds of a Series and maturity, the Trustee shall assign to each such Outstanding Bond of such Series and maturity to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw such Bonds by lot (i) individually or (ii) by one or more groups the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as in this Section 404 provided) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds of such Series drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of such Bonds and select part of any such Bonds for redemption.

Section 405. Notice of Redemption. This Section shall apply unless a Supplemental Resolution provides otherwise. Whenever Bonds of any Series are to be redeemed, the Trustee shall give notice of the redemption of such Bonds in the name of the Authority, which notice shall be given by first-class mail, postage prepaid to the registered owners of Bonds of such Series which are to be redeemed, at their last known addresses, if

any, appearing on the registration books of the Authority at least thirty (30) days but not more than forty-five (45) days prior to the Redemption Date. The Trustee shall promptly certify to the Authority that it has mailed or caused to be mailed such notice to such Bondholders, and such certificate shall be conclusive evidence that such notice was given in the manner required hereby. The failure of any such owner to receive notice shall not affect the validity of the proceedings for the redemption of Bonds with respect to which notice has been given in accordance with this Section 405. Such notice shall specify: (i) the Bonds to be redeemed (including the Series, date of issue, interest rate and maturity date), (ii) the Redemption Date and Redemption Price; (iii) the numbers, any CUSIP number and other distinguishing marks of such Bonds to be redeemed (except in the event that all of the Outstanding Bonds of such Series are to be redeemed), and (iv) that such Bonds will be redeemed at the office of the Trustee. Such notice shall further state that on the Redemption Date there shall become due and payable upon each Bond of such Series to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date, and that from and after the Redemption Date, payment having been made or provided for, interest thereon shall cease to accrue. If directed in writing by the Authority, the Trustee shall also publish or cause to be published such notice in an Authorized Newspaper and such publication shall be not less than thirty (30) days nor more than forty-five (45) days prior to the Redemption Date, but such publication shall not be a condition precedent to such redemption and failure to so publish or any defect in such notice or publication shall not affect the validity of the proceedings for the redemption of Bonds. Notwithstanding the foregoing, notice of the optional or extraordinary redemption of Bonds, other than any notice that refers to Bonds that are subject to a refunding, may be given only if an amount of money in addition to other money available therefor on deposit with the Authority, the Trustee or any Paying Agent, is sufficient to pay the applicable Redemption Price of the Bonds to be redeemed.

Section 406. Payment of Redeemed Bonds. Notice having been mailed in the manner provided in Section 405 hereof, the Bonds of such Series or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, and, upon presentation and surrender thereof at the office or offices specified in such notice, together with, in the case of such Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or such owner's duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the Redemption Date. If there shall be drawn for redemption less than all of the principal amount of a Bond of a Series, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance or the principal amount of such Bond so surrendered, Bonds of like Series and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all Bonds of such Series or portions thereof to be redeemed, together with interest to the Redemption Date, shall be held by the Trustee so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the Redemption Date, interest on such Bonds or portion thereof so called for redemption shall cease to accrue and such Bonds will no longer be considered to be Outstanding under this Resolution.

Section 407. Redemption at Demand of the State. The State may, upon furnishing sufficient funds therefor, require the Authority to redeem the Bonds as provided in the Act as in effect on the date of adoption of this Resolution.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. The Pledge Effected by the Resolution.

1. There are hereby pledged for the payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, the Bonds, in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof (and to the subordination provisions hereinafter set forth) for the purposes and on the terms and conditions set forth in the Resolution, (i) the proceeds of the sale of the Bonds, (ii) the Revenues and (iii) all Funds and accounts established by the Resolution (except the Rebate Fund, the Junior Indebtedness Fund and, with respect to any Series of Bonds not secured by the Senior Debt Service Reserve Fund, the Senior Debt Service Reserve Fund), including the investments, if any, thereof. The pledge and lien created by the Resolution for the Bonds shall be superior in all respects to any pledge or lien now or hereafter created for Junior Indebtedness or Subordinated Indebtedness.

2. This pledge set forth in subsection 1 of this Section 501 shall be valid and binding from and after the date of issuance and delivery of the first Series of Bonds, and the items set forth in such pledge shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

Section 502. Establishment of Funds. The following Funds, which shall be held and administered by the Authority or the Trustee as indicated, are hereby established:

1. Revenue Fund, to be held by the Authority;
2. Operating Fund, to be held by the Authority;
3. Senior Debt Service Fund, to be held by the Trustee;
4. Senior Debt Service Reserve Fund, to be held by the Trustee;
5. Reserve Maintenance Fund, to be held by the Authority;
6. Junior Indebtedness Fund, to be held as determined in the applicable Supplemental Resolution, indenture or other agreement;
7. Facilities Capital Improvement Fund, to be held by the Authority;
8. Other Authority Projects Operating Fund, to be held by the Authority;
9. General Reserve Fund, to be held by the Authority;
10. Rebate Fund, to be held by the Authority; and
11. Construction Fund, to be held by the Authority.

Accounts and subaccounts within each of the foregoing Funds may from time to time be established in accordance with a Supplemental Resolution, Certificate of Determination or upon the direction of the Authority. All moneys at any time deposited in any Fund and account created hereby (other than the Rebate Fund, the Junior Indebtedness Fund and, with respect to any Series of Bonds not secured by the Senior Debt Service Reserve Fund, the Senior Debt Service Reserve Fund), shall be held in trust by the Authority or Trustee, as appropriate, for the benefit of the Holders of each Series of Bonds.

Section 503. Revenue Fund. There shall be deposited promptly upon receipt by the Authority to the credit of the Revenue Fund all Revenues.

Section 504. Payments from Revenue Fund. On or before the last Business Day of each month, the Authority shall, out of the moneys in the Revenue Fund, pay into the Operating Fund all amounts required for reasonable and necessary Operating Expenses and reserves for Operating Expenses and working capital.

The Authority shall, out of the moneys remaining in the Revenue Fund after the deposit to the Operating Fund, as described above, on or before the last Business Day of each month allocate, transfer and apply the balance in the Revenue Fund as of the last day of the preceding month, to the extent sufficient therefor, as follows, but as to each transfer mentioned, only within the limitation hereinbelow indicated with respect thereto and only after maximum payment within such limitation to the purposes and into the Funds in the following tabulation:

(1) [RESERVED];

(2) To the Trustee for deposit in the Senior Debt Service Fund, if and to the extent required so that the balance in the Senior Debt Service Fund shall be at least equal to Accrued Debt Service for all Bonds Outstanding as of the last day of such month, after taking into account any other amounts available for payment of Debt Service, including any amounts representing investment earnings retained in the Senior Debt Service Fund or transferred from the Senior Debt Service Reserve Fund;

(3) To the Trustee for deposit in the Senior Debt Service Reserve Fund, if and to the extent required so that the balance in said Fund shall equal the Senior Debt Service Reserve Requirement for all Bonds secured by such Fund and Outstanding on said date;

(4) To the Reserve Maintenance Fund, amounts such that (a) on or before the first day of the seventh month of the Authority's fiscal year there shall have been deposited an amount equal to or greater than one-half of the amount, and (b) on or before the last day of the Authority's fiscal year there shall have been deposited an amount equal to or greater than the full amount, in each case provided in the Authority Budget for the applicable fiscal year for Reserve Maintenance Payments, plus accrued deficits, if any, with respect to prior required allocations to such Fund; provided, however, that with respect to the Authority fiscal year ending December 31, 1992, the requirement of clause (a) shall not apply;

(5) To the Junior Indebtedness Fund, if and to the extent required so that the balance in said Fund shall equal the amounts required to be deposited therein by the Supplemental Resolution or other indenture or agreement authorizing the issuance of Junior Indebtedness outstanding on said date;

(6) To the Facilities Capital Improvement Fund, in the amounts and at the times determined to be necessary or appropriate by the Authority Board, to fund Project Costs or to set up reserves to fund such costs;

(7) To the Other Authority Projects Operating Fund, in the amounts and at the times determined to be necessary or appropriate by the Authority Board, to fund operating expenses relating to Other Authority Projects or to set up reserves to fund such expenses; and

(8) To the General Reserve Fund, to the extent of any remaining balance of such moneys withdrawn from the Revenue Fund;

Provided, however, that so long as the total amount held in the Senior Debt Service Fund and the Senior Debt Service Reserve Fund shall be sufficient to fully pay all Outstanding Bonds (including Principal or applicable Redemption Price thereof and interest thereon) in accordance with their terms, no deposits shall be required to be made into such Funds;

Provided further, however, that so long as the total amount held in the Junior Indebtedness Fund or in other funds or accounts established to secure Junior Indebtedness shall be sufficient to fully pay all Junior Indebtedness which shall be outstanding under the Supplemental Resolution or other indenture or agreement authorizing the issuance of

Junior Indebtedness (including principal or applicable redemption price thereof and interest thereon) in accordance with their terms, no deposits shall be required to be made into such Fund.

Section 505. Operating Fund. Amounts in the Operating Fund shall be paid out from time to time by the Authority for reasonable and necessary Operating Expenses, free and clear of the lien and pledge created by the Resolution.

The Authority shall at all times retain in the Operating Fund reasonable and necessary amounts for working capital and reserves for Operating Expenses including expenses which do not recur annually; provided that the total amount of such working capital and reserves set aside during any year shall not exceed 25% of the amount shown for Operating Expenses for such year in the applicable Authority Budget.

Amounts in the Operating Fund accumulated as a reserve for Operating Expenses the payment of which is not immediately required may in the discretion of the Authority be invested in Investment Obligations. The Authority may sell any such investments at any time and the proceeds of such sale and of all payments at maturity or upon redemption of such investments shall be held in the Operating Fund. Whenever the Operating Fund exceeds the amount reasonable and necessary for Operating Expenses including reserves and working capital, the Authority shall apply the excess to the purposes and in the Funds established hereunder in the same manner as payments from the Revenue Fund.

Investment income on amounts in the Operating Fund shall be deposited into the Revenue Fund.

Section 506. Senior Debt Service Fund.

1. The Trustee shall on or before each Interest Payment Date or Redemption Date, as the case may be, withdraw and pay from the Senior Debt Service Fund and pay:

- (A) The interest due on all Outstanding Bonds on such Interest Payment Date;
- (B) The Principal Installments due on all Outstanding Bonds on such Interest Payment Date;
- (C) The Sinking Fund Installments, if any, due on all Outstanding Bonds on such Interest Payment Date; and
- (D) The Redemption Price due on all Outstanding Bonds on any Redemption Date in accordance with Section 513 hereof.

The amounts paid out pursuant to this Section shall be irrevocably pledged to and applied to such payments.

2. In the event that on any Interest Payment Date, the amount in the Senior Debt Service Fund shall be less than the amounts, respectively, required for payment of interest on the Outstanding Bonds, for the payment of the principal of Outstanding Bonds or for the payment of Sinking Fund Installments of the Outstanding Bonds of any Series due and payable on such Interest Payment Date, the Authority, in the following order of priority, shall withdraw from the unencumbered moneys in the General Reserve Fund, the unencumbered moneys in the Other Authority Projects Operating Fund, the unencumbered moneys in the Facilities Capital Improvement Fund, the unencumbered moneys in the Reserve Maintenance Fund, and, solely to the extent necessary to make any payments with respect to Bonds secured by the Senior Debt Service Reserve Fund, amounts in the Senior Debt Service Reserve Fund, and deposit to the Senior Debt Service Fund such amounts as will increase the amount in the Senior Debt Service Fund to an amount sufficient to make payment of interest on, and principal and Sinking Fund Installments of the Outstanding Bonds of such Series; provided, however, that with respect to any Series of Bonds not secured by amounts in the Senior Debt Service Reserve Fund pursuant to the related Supplemental Resolution, payments relating to any such Bonds shall be made pro rata with all other Bonds from amounts available from unencumbered moneys in the General Reserve Fund, the Other Authority Projects Operating Fund, the Facilities

Capital Improvement Fund and the Reserve Maintenance Fund, but shall not be funded from any amounts in the Senior Debt Service Reserve Fund.

3. In the event of the refunding of any Bonds, the Trustee shall, upon the direction of the Authority, withdraw from the Senior Debt Service Fund all or any portion of the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) upon such refunding, the Bonds being refunded shall be deemed to have been paid within the meaning and with the effect provided in the Resolution, and (ii) the amount remaining in the Senior Debt Service Fund shall be not less than the amount needed to pay the Debt Service on all Outstanding Bonds accrued through such date and provided, further, that at the time of such withdrawal, there shall exist no deficiency in the Senior Debt Service Reserve Fund.

4. Investment income on amounts in the Senior Debt Service Fund, to the extent permitted in a Supplemental Resolution, shall be retained in such Fund or, upon the direction of an Authorized Officer, shall be transferred to the Rebate Fund, the Construction Fund or the Revenue Fund.

Section 507. Senior Debt Service Reserve Fund.

1. In addition to the moneys allocated from the Revenue Fund pursuant to Section 503 hereof, the Trustee shall deposit into the Senior Debt Service Reserve Fund such portion of the proceeds of the sale of Bonds of any Series, if any, as shall be prescribed in the Supplemental Resolution or the Certificate of Determination for such Series, and any other moneys and investments which may be made available to the Trustee for the purposes of the Senior Debt Service Reserve Fund from any other source or sources in order to increase the amounts on deposit in the Senior Debt Service Reserve Fund to the Senior Debt Service Reserve Fund Requirement.

2. Unless the Authority shall have otherwise provided sufficient moneys in order to comply with Subsection 2 of Section 506, moneys and Investment Obligations held for the credit of the Senior Debt Service Reserve Fund shall be withdrawn by the Trustee, deposited to the credit of the Senior Debt Service Fund and applied to the payment of interest, Principal Installments and Sinking Fund Installments of Bonds secured by the Senior Debt Service Reserve Fund at the times and in the amounts required to comply with the provisions of subsection 2 of Section 506.

3. Except as otherwise provided pursuant to this Section 507, investment income on amounts in the Senior Debt Service Reserve Fund shall be retained therein. If at any time moneys and Investment Obligations on deposit to the credit of the Senior Debt Service Reserve Fund exceed the Senior Debt Service Reserve Fund Requirement, the Trustee shall, to the extent permitted in a Supplemental Resolution, upon the direction of an Authorized Officer, withdraw therefrom and deposit such excess amount into the Senior Debt Service Fund, the Revenue Fund, the Rebate Fund or the Construction Fund.

4. In lieu of moneys or Investment Obligations described in subsection 1 of Section 702 hereof, the Authority may, to the extent permitted by law, deposit or cause to be deposited to or substituted for deposit to the Senior Debt Service Reserve Fund a Reserve Credit Facility for the benefit of the Holders of the Bonds secured by the Senior Debt Service Reserve Fund for all or any part of the Senior Debt Service Reserve Fund Requirement. Each Reserve Credit Facility deposited to the Senior Debt Service Reserve Fund shall be payable (upon the giving of such notice as may be required thereby) on any date on which moneys are required to be withdrawn from the Senior Debt Service Reserve Fund and such withdrawal cannot be made without drawing upon such Reserve Credit Facility. For the purposes of this Section, in computing the amount on deposit in the Senior Debt Service Reserve Fund, a Reserve Credit Facility shall be valued at the amount available to be drawn or payable thereunder on the date of computation.

5. In the event of the refunding of any Bonds, the Authority may withdraw from the Senior Debt Service Reserve Fund all or any portion of the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) upon such refunding, the Bonds being refunded shall be deemed to have been paid within the meaning and with

the effect provided in the Resolution, and (ii) the amount remaining in the Senior Debt Service Reserve Fund, after giving effect to any Reserve Credit Facility deposited in such Fund pursuant to the Resolution, shall not be less than the Senior Debt Service Reserve Fund Requirement, and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in the Senior Debt Service Fund.

6. The Authority may determine by Supplemental Resolution that a Series of Bonds shall not be secured by the Senior Debt Service Reserve Fund, in which case no amounts shall be required from the proceeds of such Series of Bonds for deposit in the Senior Debt Service Reserve Fund and no amounts shall be payable from the Senior Debt Service Reserve Fund to pay amounts due or payable with respect to such Bonds.

Section 508. Reserve Maintenance Fund.

1. Except as provided in this Section, moneys held for the credit of the Reserve Maintenance Fund shall be disbursed only for the purpose of paying a cost relating to a Facility of

- (a) maintenance or repairs not recurring annually, and renewals and replacements,
- (b) repairs or replacements resulting from an emergency or caused by some unusual or extraordinary occurrence, to the extent that the moneys in other available Funds, together with insurance proceeds, if any, available therefor are insufficient to meet such emergency,
- (c) items of equipment, and
- (d) engineering expenses incurred under the provisions of this Section;

provided, however, that the foregoing shall include like amounts required by Subdivisions 3 and 4 of Section 359 of the Act, as in effect on the date of delivery of the first Series of Bonds under this General Revenue Bond Resolution, to be paid by the Authority, all to the extent properly and directly attributable to the maintenance of the Original Project.

2. The Authority shall from time to time transfer any moneys from the Reserve Maintenance Fund to the credit of the Revenue Fund upon the receipt of a certificate of an Authorized Officer directing such transfer and certifying that the amount so to be transferred is no longer required for the purposes of the Reserve Maintenance Fund.

3. In connection with the establishment of Authority Budgets for each fiscal year of the Authority, the Authority shall cause the Independent Consultant, at least once every three Authority fiscal years, to make an estimate or to evaluate the Authority's estimate of Reserve Maintenance Payments and to deliver a certificate or certificates setting forth the amount or amounts it has approved as an estimate of Reserve Maintenance Payments for each fiscal year of the Authority covered by such certificate. Any Independent Consultant's Certificate delivered in connection with the establishment of Reserve Maintenance Payments shall take into account any other moneys available for such purposes in determining the amount of such Reserve Maintenance Payments.

4. Investment income on amounts in the Reserve Maintenance Fund shall be deposited into the Revenue Fund.

Section 509. Junior Indebtedness Fund.

1. The Authority may, at any time or from time to time, issue evidences of indebtedness payable out of, and which may be secured by a pledge of, such amounts in the Junior Indebtedness Fund as may from time to time be available for the purpose of payment thereof and of Revenues; provided, however, that any pledge of Revenues shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution with respect to the Bonds.

2. Subject to the terms of any pledge securing Junior Indebtedness, amounts in the Junior Indebtedness Fund may be applied to payment of the principal or redemption price of and interest on any Junior Indebtedness. Junior Indebtedness may be issued by the Authority to provide for any Facilities or Other Authority Projects constituting a lawful transportation or transportation-related (including related necessary or appropriate economic development activities) corporate purpose of the Authority.

3. The Authority shall have the right to covenant with the holders from time to time of Junior Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued; provided, however, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Junior Indebtedness shall not permit the holders of such obligations to declare the same or instruct such holders' trustee to declare the same to be immediately due and payable notwithstanding the occurrence of an event that would give rise to such a declaration unless all Outstanding Bonds shall have been declared immediately due and payable in accordance with Section 1102 hereof.

4. Investment income, if any, on amounts in the Junior Indebtedness Fund shall be applied in accordance with the provisions of any Supplemental Resolution or indenture or other agreement providing for the issuance of such Junior Indebtedness.

Section 510. Facilities Capital Improvement Fund. The Authority may, from time to time, disburse or transfer amounts in the Facilities Capital Improvement Fund for the purposes of providing for transfers to the Construction Fund, for Project Costs or, upon the determination of the Authority Board and after satisfying any deficiencies in the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Reserve Maintenance Fund or the Junior Indebtedness Fund, transfer such amounts to any other Fund or account held under the Resolution. Investment income on amounts in the Facilities Capital Improvement Fund shall be deposited into the Revenue Fund.

Section 511. Other Authority Projects Operating Fund. The Authority may, from time to time, disburse or transfer amounts in the Other Authority Projects Operating Fund, free and clear of the lien and pledge created by the Resolution, for the purpose of providing for operating costs of Other Authority Projects, or, upon the determination of the Authority Board, transfer such amounts to the General Reserve Fund. Investment income on amounts in the Other Authority Projects Operating Fund shall be deposited into the Revenue Fund.

Section 512. General Reserve Fund.

1. Amounts in the General Reserve Fund are to be transferred, in the following order, to the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Reserve Maintenance Fund, the Junior Indebtedness Fund, the Facilities Capital Improvement Fund and the Other Authority Projects Operating Fund to make up deficiencies in or to set aside reserves for such Funds.

2. Subject to any lien or pledge securing Subordinated Indebtedness that has been determined by the Authority Board to be superior to such purposes, amounts in the General Reserve Fund not immediately required for the purposes referred to in paragraph 1 of this Section shall, pursuant to resolution of the Authority Board, be applied in the following order (i) to the purchase, redemption or payment at maturity of Bonds or Junior Indebtedness, (ii) used to pay the capital costs of Other Authority Projects or (iii) paid to the Authority, free and clear of the lien and pledge created by the Resolution, for any lawful corporate purpose of the Authority, including but not limited to payment of amounts due with respect to Subordinated Indebtedness.

3. Subordinated Indebtedness may be issued to finance any lawful corporate purpose of the Authority. Subordinated Indebtedness may be secured by a pledge of such amounts in the Subordinated Indebtedness Fund as may from time to time be available for the payment thereof and of Revenues; provided, however, that any pledge of Revenues shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution with respect to the Bonds and any pledge of Revenues with respect to Junior Indebtedness.

4. The Authority shall have the right to covenant with the holders from time to time of Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds

or Junior Indebtedness may be issued; provided, however, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Subordinated Indebtedness shall not permit the holders of such obligations to declare the same or instruct such holders' trustee to declare the same to be immediately due and give rise to such a declaration unless all Outstanding Bonds and Junior Indebtedness shall have been declared immediately due and payable in accordance with Section 1102 hereof.

5. Upon any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments have been established with moneys in the General Reserve Fund, there shall be credited toward each such Sinking Fund Installment thereafter to become due (other than that next due), unless otherwise directed by the Authority, an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all remaining Sinking Fund Installments for the Bonds of the same Series and maturity to be credited.

6. Investment income on amounts in the General Reserve Fund shall be deposited into the Revenue Fund.

Section 513. Rebate Fund. Moneys on deposit in the Rebate Fund shall be applied by the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate, if any, delivered in connection with each Series of Bonds. Moneys which the Authority determines to be in excess of the amount required to be so rebated shall be deposited to the Revenue Fund.

If and to the extent required by the Code or an Arbitrage and Use of Proceeds Certificate, the Authority shall periodically, at such times as may be required to comply with the Code, determine the Rebate Amount with respect to each Series of Bonds and transfer from the Revenue Fund, the Facilities Capital Improvement Fund, the Other Authority Projects Operating Fund, the General Reserve Fund and the Construction Fund and deposit to the Rebate Fund, all or a portion of the Rebate Amount with respect to such Series of Bonds and pay out of the Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

Section 514. Construction Fund. There shall be paid into the Construction Fund the amounts (if any) required to be so paid by the provisions of the Resolution, and there may be paid into the Construction Fund, at the option of the Authority, any moneys received by the Authority for or in connection with any Facility or Other Authority Project, as appropriate, from any other source, unless required to be otherwise applied as provided by the Resolution.

Amounts deposited in the Construction Fund (i) from proceeds of Bonds shall be applied by the Authority to Project Costs or Costs of Issuance, as appropriate; provided, however, that proceeds from Bonds issued to finance Other Authority Project Costs shall be applied by the Authority to finance such Other Authority Project Costs or, to the extent permitted by a Supplemental Resolution, Project Costs, and (ii) other amounts deposited in the Construction Fund shall be applied to the purpose or purposes specified in the Supplemental Resolutions authorizing Bonds to finance a Facility, or if no Bonds are so issued, to the purpose or purposes specified in a resolution of the Authority, a copy of which, certified by an Authorized Officer, shall be filed with the Trustee. Notwithstanding the foregoing, amounts in the Construction Fund may be applied to the payment of Principal Installments and interest on the applicable Series of Bonds when due (including payments when due under a Qualified Swap or Qualified Reverse Swap), and to the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of Principal Installments and interest on the Bonds when due (including payments when due under a Qualified Swap or Qualified Reverse Swap).

Investment income on amounts in the Construction Fund from proceeds of a Series of Bonds, to the extent permitted in a Supplemental Resolution, may be retained by the Authority in such Fund or transferred to the Revenue Fund, the Senior Debt Service Fund or the Rebate Fund.

Section 515. Application of Moneys in the Senior Debt Service Fund for Redemption of Bonds and Satisfaction of Sinking Fund Installments.

1. Moneys delivered to the Authority, which by the provisions of the Resolution are to be applied for redemption of Bonds, shall upon receipt by the Authority be deposited to the credit of the Senior Debt Service Fund for such purpose to the extent not otherwise provided pursuant to a Supplemental Resolution.

2. Moneys in the Senior Debt Service Fund to be used for redemption of Bonds of a Series shall be applied by the Authority to the purchase of Outstanding Bonds of such Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued interest to such date, at such times, at such purchase prices and in such manner as the Authority shall direct.

3. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Bonds acquired by purchase or redemption, except Bonds acquired by purchase or redemption pursuant to the provisions of subsection 2 of this Section, of the maturity and interest rate entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Bonds. Concurrently with such delivery of such Bonds the Authority shall deliver to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered, (iii) the aggregate principal amount of the Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Bonds.

4. The Trustee shall, in the manner provided in Article IV, call for redemption, on the date of each Sinking Fund Installment falling due prior to maturity, such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

5. Notwithstanding the provisions of subsection 2 of this Section, if the amount in the Senior Debt Service Fund at any time (other than moneys required to pay the Redemption Price of any Outstanding Bonds of a Series theretofore called for redemption or to pay the purchase price of such Outstanding Bonds theretofore contracted to be purchased, including in both cases accrued interest on such Bonds to the Redemption Date or purchase date) is sufficient to make provision pursuant to subdivision 2 of Section 1104 hereof for the payment of such Outstanding Bonds at the maturity or Redemption Date thereof, the Authority may request the Trustee to take such action consistent with subdivision 2 of Section 1104 hereof as is required thereby to deem certain of such Bonds to have been paid within the meaning of Section 1104 hereof. The Trustee, upon receipt of such request and irrevocable instructions of the Authority to purchase Government Obligations sufficient to make any deposit required thereby, shall comply with such request.

Section 516. Transfer of Investments. Whenever moneys in any Fund or account established hereunder or under any Supplemental Resolution are to be paid in accordance herewith to another such Fund or account, such payment may be made, in whole or in part, by transferring to such other Fund or account investments held as part of the Fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made, provided that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such Fund or account.

Section 517. Computation of Assets of Certain Funds. The Authority, at such times as may be necessary in connection with a withdrawal and deposit affecting the Senior Debt Service Reserve Fund made pursuant to this Article V, shall compute the value of the assets in the Senior Debt Service Reserve Fund at the date of such withdrawal and deposit and the amount by which the value of the assets in the Senior Debt Service Reserve Fund exceeds or is less than the Senior Debt Service Reserve Fund Requirement.

ARTICLE VI

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Holders of the Bonds as follows:

Section 601. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid the principal, Sinking Fund Installments, if any, Redemption Price of, and interest on every Bond, at the dates and places and in the manner set forth in the Bonds according to the true intent and meaning thereof.

Section 602. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and, in case the maturity of any of the Bonds or the time for payment of any claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution to the benefit of the Resolution or to any payment out of any assets of the Authority or the Funds and accounts (except Funds and accounts held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Trustee, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds as permitted hereby and by the Act and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds refunded.

Section 603. Offices for Servicing Bonds. The Authority shall at all times maintain an office or agency in the State, where Bonds may be presented for payment, registration, transfer or exchange and where notices, presentations and demands upon the Authority in respect of the Bonds or of this Resolution may be served. The Authority hereby appoints the Trustee as its agent to maintain such office or agency in the State for the registration, transfer or exchange of Bonds, for the authentication of Bonds, and for the payment of Bonds.

Section 604. Further Assurance. At any time and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Revenues, all Funds, accounts and other moneys and securities hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign.

Section 605. Power to Issue Bonds and Pledge Revenues and Other Funds. The Authority is duly authorized under the Act and all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the proceeds from the sale of such Bonds, the Revenues, the Funds and accounts (other than the Rebate Fund and the Junior Indebtedness Fund) and other moneys and securities set forth in Section 501 hereof purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in Section 501 hereof, the Revenues and the Funds and accounts (other than the Rebate Fund and the Junior Indebtedness Fund), and other moneys and securities set forth in Section 501 hereof so pledged are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Resolution. The Authority further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues, the Funds and accounts and other moneys and securities pledged under the Resolution and all of the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

Section 606. Power to Construct and Operate Original Project and Additional Projects and to Collect Tolls, Fees and Charges. The Authority has good right and lawful authority to take jurisdiction over, construct, reconstruct, improve, maintain and operate the Original Project and to fix and collect tolls, fees, rentals and other charges as provided in the Resolution.

The Authority shall have good right and lawful authority to construct, maintain and operate, as appropriate, any Additional Project or Other Authority Project and to fix and collect tolls, fees, rentals and other charges, if any, as provided in the applicable Supplemental Resolution or (in the case of Junior Indebtedness or Subordinated Indebtedness) the indenture or other agreement pursuant to which such indebtedness is issued.

Section 607. Creation of Liens; Sale and Lease of Property. The Authority shall not hereafter issue any bonds or other evidences of indebtedness, other than the Bonds, secured by an equal or prior pledge of all or any part of the Revenues or other moneys, securities or funds held or set aside by the Authority or by the Fiduciaries under the Resolution, and shall not create or cause to be created any equal or prior lien or charge on the Revenues, or such moneys, securities or funds except as provided in this Resolution; provided, however, that nothing contained in the Resolution shall prevent the Authority from issuing (i) evidences of indebtedness payable out of, or secured by a pledge of, Revenues to be derived on and after such date as the pledge of the Revenues provided in the Resolution shall be discharged and satisfied as provided in Section 1104, or (ii) Junior Indebtedness or Subordinated Indebtedness.

No part of the Facilities shall be sold, mortgaged, leased or otherwise disposed of or encumbered, provided that the Authority (i) may sell or exchange at any time and from time to time any property or facilities constituting part of the Facilities and not useful, in its opinion, in the operation thereof, but any proceeds of any such sale or exchange, not used to replace such property so sold or exchanged, shall, subject to the rights of other parties, including the State, be deposited to the Revenue Fund to be applied in the manner provided in this Resolution or (ii) at any time or from time to time, in any manner deemed appropriate by the Authority Board, may dispose of any portion of the Facilities with respect to which it is forbidden by law to impose tolls or other charges and which, in its opinion, is not useful in the operation of the Facilities, but any proceeds of any such disposition, shall, subject to the rights of other parties, including the State, be deposited to the Revenue Fund to be applied in the manner provided in this Resolution.

Notwithstanding the provisions of the preceding paragraph of this Section, the Authority may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the Facilities, provided that any such lease, contract, license, easement or right does not, in the opinion of the Authority, impede or restrict the operation or maintenance by the Authority of the Facilities. Any payments to the Authority (other than rental payments reserved for a special purpose under the terms of a lease or other applicable instrument) under or in connection with any such lease, contract, license, easement or right in respect of the Facilities or any part thereof shall constitute Revenues, except as otherwise provided by law.

Section 608. Operation and Maintenance of the Facilities. The Authority covenants as follows:

1. The Authority has and will have good right and lawful power to construct, reconstruct, improve, maintain, operate and repair the Facilities and to fix and collect concessions, charges, fees, fares, receipts, rents, and tolls for its use, all as provided in the Act.

2. The Authority shall at all times operate or cause to be operated the Facilities properly and in a sound and economical manner and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Facilities may be properly and advantageously conducted; provided, however, that, with respect to the highway connection between The Tappan Zee Bridge and the New England section of the New York State Thruway (as added by Chapter 190 of the Laws of 1990 of the State), the Authority does not hereby covenant, and shall not hereby be required, to take any actions or expend any amounts other than as required pursuant to its agreements with the State entered into pursuant to Chapter 190 of the Laws of 1990 relating to such highway connection, as such agreements may be amended.

3. The Authority will establish and enforce reasonable rules and regulations governing the use of the Facilities and the operation thereof, it will observe and perform all of the terms and conditions contained in the Act, and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Facilities.

Section 609. Tolls, Fees and Charges. (1) The Authority covenants that

(a) it shall at all times, fix, charge and collect such tolls, fees and charges for the use of the Facilities as are required in order that, in each Authority fiscal year, Net Revenues shall at least equal the Net Revenue Requirement for such year.

(b) On or before the sixtieth day preceding the first day of each Authority fiscal year, the Authority shall review its financial condition in order to estimate and determine whether Net Revenues for such Authority fiscal year and for the following Authority fiscal year will be sufficient to comply with the revenue covenant described above; provided that, for purposes of determining the portion of the Net Revenue Requirement relating to Variable Interest Rate Bonds for any prospective period of time, such amounts shall be calculated for each Series or subseries of Bonds bearing interest at the same rate by multiplying the principal amount of such Variable Interest Rate Bonds to be Outstanding during such prospective period by the product of the average rate of interest borne by such Variable Interest Rate Bonds during the immediately preceding 12-month period by 1.25%; provided further that for any partial year such amounts shall be prorated by multiplying the foregoing product by the actual number of days of interest accrual to be determined, and by dividing that product by 365 or 366 days, as appropriate for the particular year. If the Authority determines that Net Revenues may be inadequate, it shall cause a study to be made by an Independent Consultant that shall recommend a schedule of tolls, fees and charges which will provide sufficient Net Revenues in the following Authority fiscal year to comply with the revenue covenant described above and which will provide additional Net Revenues to eliminate any deficiency in Funds and accounts held under the Resolution at the earliest practicable time, and the Authority will place in effect as soon as practicable either (i) the recommended schedule of tolls, fees and charges, or, (ii) a different schedule of tolls, fees and charges developed by the Authority which will provide sufficient Net Revenues in the following Authority fiscal year to comply with the revenue covenant described above and which will provide additional Net Revenues in such following Authority fiscal year to eliminate any deficiency at the earliest practicable time, which conclusion is concurred in by an Independent Consultant's Certificate delivered to the Authority and the Trustee.

(2) The tolls, fees and charges to be established pursuant to Subsection 1(a) of this Section 609 on the Original Project or on any Additional Project constituting a tolled road, bridge or tunnel, in the sole discretion of the Authority, shall be based on any reasonable vehicle classification, use or occupancy, and further, may consist either alone or in combination of (i) point-to-point tolls based on mileage rates, (ii) fixed or single-trip tolls or commutation rates for passage through a barrier station or bridge, including each Grand Island Bridge and a bridge for crossing the Hudson River via the Hudson section, (iii) a surcharge for crossing the Hudson River via the Berkshire section or, if determined to be necessary or appropriate by the Authority Board, a surcharge for any other location, (iv) congestion pricing, and (v) an annual, seasonal or periodic fee for a permit for the limited use of or access to all or any part of the Original Project or an Additional Project constituting a tolled road, bridge or tunnel. However, the rates in effect at the date of adoption of this General Revenue Bond Resolution shall be and remain in effect until changed or modified pursuant to this Section 609.

(3) The Authority covenants that tolls, fees or charges for the use of a Facility constituting a tolled road or bridge will be classified in a reasonable way to cover all traffic within any class regardless of the status or character of any person, firm or corporation participating in the traffic, and that no reduced rate of toll, fee or charge will be allowed within any such class except that provision may be made for the use of commutation or other tickets or privileges based upon frequency, volume, occupancy, congestion pricing or to facilitate implementation of electronic or other new toll collection technologies, or relating to incentives for use of newly tolled facilities which incentives last not longer than three years from the date of introduction of such incentives. The Authority further covenants that no free vehicular passage will be permitted over any portion of the Original Project that is subject to tolls at the time of adoption of this General Revenue Bond Resolution or any portion of an Additional Project constituting a tolled road or bridge except, to the extent determined necessary and appropriate from time to time in the sole discretion of the Authority, (i) to members, officers and employees of the Authority and the New York State Police, in each case to the extent assigned to any Facility actually in the performance of their duties or in the course of traveling to or from the place of the performance of such duties or as contractually provided, (ii) by means of passes or otherwise, to such vehicles owned by individuals, corporations or partnerships with which the Authority has entered into leases, concession contracts or service and maintenance contracts, as in its discretion may be deemed necessary for the operation of concessions and facilities upon the Facilities, for the maintenance of such concessions or facilities and for the prompt and economical furnishing of emergency services

to patrons of the Facilities or any concession or facility thereof, (iii) in a manner and in amounts such that as a result thereof, based upon projections furnished in a report to the Authority and the Trustee by an Independent Consultant, the Authority projects that there will be no material decrease in Revenues, except to the extent offset by a corresponding decrease in Operating Expenses and/or the operating expenses of any Other Authority Projects; provided that for purposes of its report, the Independent Consultant shall take into account implemented or approved toll adjustments and other contemporaneous or prospective changes in the operations of the Original Project and any portion of any Additional Project constituting a tolled road or bridge that shall have been approved by the Authority or any Other Authority Projects, and (iv) otherwise in de minimis amounts.

Section 610. Insurance. The Authority covenants that it shall maintain with responsible insurers all insurance required and reasonably obtainable, in the judgment of the Authority, to provide against loss of or damage to the Facilities and loss of revenues, to the extent necessary to protect the interests of the Authority and the Bondholders. The Authority, in any event, shall maintain with responsible insurers the following kinds and the following amounts of insurance to the extent reasonably obtainable in the judgment of the Authority, with such variations as shall reasonably be required to conform to applicable standards or customary insurance provisions and nothing herein shall preclude the Authority from employing deductibles, risk retentions or any other form of self-insurance customarily used by others where appropriate:

(1) On each bridge constituting a Facility, multi-risk insurance covering physical loss or damage (including the cost of removal of debris) thereto from causes customarily insured against, in an amount equal to the maximum probable loss sustainable in a single occurrence as stated in a certificate of an Authority Engineer filed with the Trustee, at least once every three years. The proceeds of any such insurance shall be payable to the Authority and shall be applied to its necessary or reasonable costs involved in the repair, replacement or reconstruction of the damaged property, and, to the extent not so applied, shall afterwards be deposited in the Revenue Fund.

(2) Use and occupancy insurance covering loss of toll revenues sustainable in a single occurrence by reason of necessary interruption, total or partial, in the use of the Facilities resulting from the maximum probable loss to a bridge referred to in paragraph (1) above, in such amount as will under the terms and provisions thereof, provide a recovery equal to the amount of such loss of Net Revenues. Said insurance may provide that no indemnity shall be paid for the loss sustained during the first seven (7) days of any interruption and may also provide for the deduction of an amount corresponding to the ordinary expenses saved by reason of the interruption of regular operations. Policies evidencing said insurance may, but need not, contain reasonable provisions concerning the method of ascertaining the amount of loss. The proceeds of any such insurance shall be payable to the Authority and shall be paid into the Revenue Fund under the Resolution.

(3) During construction or reconstruction by the Authority of any Facility, such insurance thereon as is customarily carried by others with respect to similar construction or reconstruction, but the Authority shall not be required to maintain any such insurance to the extent that such insurance is carried for its benefit by any lessee, licensee or other person operating any part of the Facility or by contractors. The proceeds of any such insurance shall be payable to the Authority and shall be applied to its necessary or reasonable costs involved in the repair, replacement or reconstruction of the damaged property and shall otherwise be paid into the Construction Fund under the Resolution subject to the provisions of any existing lease agreements.

(4) Any additional or other insurance which in the judgment of the Authority is necessary to protect the interest of the Authority.

Section 611. Accounts and Reports.

1. The Authority shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all its transactions relating to all Funds established by the Resolution which shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than five per cent (5%) in the principal amount of the Bonds then Outstanding or their representatives duly authorized in writing. The Authority may authorize or permit the Trustee or its duly authorized agents to keep any or all of such books on behalf of the Authority. The Authority shall cause such books of record and accounts to be audited annually after the end of its fiscal year by an independent public accountant selected by the Authority.

2. The Authority shall annually, within 120 days after the close of each calendar year, file with the Trustee a copy of an annual report for such year, accompanied by a certificate of an Authorized Officer, including statements in reasonable detail of: financial condition as of the end of such year and income and expenses for such year, all to the extent relating to the Facilities; a statement of all classifications of income for such year; and a summary of statement with respect to each Fund and account established under the Resolution.

3. The Authority shall at all times keep on file with the Trustee copies of its schedules of tolls and vehicular fees for the use of the Facilities which constitute vehicular toll bridges, toll tunnels or toll roads, as in effect from time to time.

4. The reports, statements and other documents required to be furnished by the Authority to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Bondholders at the office of the Trustee.

Section 612. Tax Covenants.

1 Subject to subsection 4 of this Section, the Authority shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall be not included in the gross income of the owners thereof for purposes of federal income taxation.

2. The Authority shall not permit at any time any of the proceeds of the Bonds or any other funds of the Authority to be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in Section 148 of the Code.

3. The Authority shall not permit at any time any proceeds of any Bonds or any other funds of the Authority to be used, directly or indirectly, in a manner which would result in the classification of any Bond as a “private activity bond” within the meaning of Section 141 of the Code.

4. Notwithstanding the foregoing, the Authority hereby reserves the right to elect to issue obligations the interest on which is not exempt from federal income taxation, if such election is made prior to the issuance of such obligations, and the covenants contained in this Section shall not apply to such obligations.

Section 613. General. The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Resolution in accordance with the terms of such provisions.

Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and statutes of the State, including the Act, and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

Section 614. Notice as to Event of Default. The Authority shall notify each issuer of a Credit Facility and the Trustee in writing that an “Event of Default,” as such term is defined in Section 1101 hereof, has occurred and is continuing, which notice shall be given within five (5) days after the Authority has obtained actual knowledge thereof; provided, however, that the Authority shall provide the issuer of a Credit Facility with immediate notice of any payment default after the Authority has obtained actual knowledge thereof.

Section 615. Covenants with Credit Facility Providers. The Authority may make such covenants as it may in its sole discretion determine to be appropriate with any provider of a Credit Facility or Reserve Credit Facility that shall agree to provide a Credit Facility or Reserve Credit Facility for Bonds of any one or more Series that shall enhance the security or the value of such Bonds and thereby reduce the principal and interest requirements on such Bonds. Such covenants may be set forth in or provided for by the applicable Supplemental Resolution and shall be binding on the Authority, the Trustee, the Paying Agents, and all the owners of Bonds the same as if such covenants were set forth in full in this Resolution.

Section 616. Additional Projects. The Authority may designate an Other Authority Project to be an Additional Project if and only if there has been submitted to the Trustee with respect to such Other Authority Project at or prior to the date of such designation:

(1) A certificate of an Authorized Officer to the effect that the Other Authority Project has been in operation (whether or not by the Authority) for a period of at least twelve (12) months prior to the date of such designation, and that for the 12-month period ending on the last day of a month no more than 90 days preceding the date of designation as an Additional Project the revenues derived from the operation of such Project exceeded the operating expenses for such Other Authority Project;

(2) A Counsel's Opinion to the effect that the Authority has good right and lawful authority to acquire, design, construct, maintain, operate, finance, improve, reconstruct, rehabilitate or otherwise undertake such Other Authority Project and to establish, levy, maintain and collect, during the term of the Bonds, tolls, rentals, rates, fees or other charges in connection therewith, which establishment, levy, maintenance or collection shall not then require or be subject to (a) in the case of any Additional Project constituting a tolled road, bridge or tunnel, any governmental approval not applicable to the Original Project, or (b) in the case of any Additional Project not constituting a tolled road, bridge or tunnel, any direct governmental approval;

(3) A Counsel's Opinion stating whether or not the Authority is required by law to have a license, order or other authority from any federal, State or other governmental agency or regulatory body having lawful jurisdiction in connection with such Facility and, if so required, that such license, order or other authority has been obtained;

(4) A certificate of an Authorized Officer setting forth (A) the Revenues and Operating Expenses of the Authority for the 12-month period set forth in subsection (1), including revenues and operating expenses relating to the Other Authority Project being designated an Additional Project; provided that if (a) any previously designated Additional Project had not been an Additional Project for any part of the 12-month period, such Additional Project Revenues and Operating Expenses shall be respectively increased by the revenues and operating expenses of such Additional Project for such 12-month period calculated as if the respective definitions of Additional Project Revenues and Operating Expenses in Section 102 had been applicable thereto for the entire 12-month period, and (b) if on the date of such designation by the Authority the tolls, fees or charges for any Facility shall be less than it was during any part of the period covered by such certificate, the Revenues for such part of such period, shall be decreased as if such tolls, fees or charges had been in effect for all of such period, and (B) that for such 12-month period the Net Revenues as calculated pursuant to clause (A) of this subparagraph (4), are at least equal to the Net Revenue Requirement;

(5) An Independent Consultant's Certificate setting forth (A) the estimated Net Revenues for all Facilities, together with estimated Reserve Maintenance Payments, excluding the proposed Additional Project, for each of the Authority fiscal years in the Test Period, and (B) the estimated Net Revenues for all Facilities, together with estimated Reserve Maintenance Payments, including the proposed Additional Project, for each of the Authority fiscal years in the Test Period;

(6) A certificate of an Authorized Officer to the effect that the amount of the estimated Net Revenues less Reserve Maintenance Payments determined pursuant to subsection (5)(B) above in each of the Authority fiscal years in the Test Period is not less than 100% of the estimated Net Revenues less estimated Reserve Maintenance Payments for each of the same years in subsection (5)(A) above; and

(7) A copy of the Supplemental Resolution designating such Other Authority Project as an Additional Project certified by an Authorized Officer.

As used in this Section 616, "revenues" and "operating expenses" shall have the respective meanings for "Revenues and "Operating Expenses", except that "revenues" and "operating expenses" relate to Other Authority Projects not constituting Facilities.

Section 617. Additional Project Revenues. The Authority shall not designate a project as an Additional Project, either pursuant to Section 616 or Section 620, unless the Authority has jurisdiction and control of such project and the Supplemental Resolution designating the same provides that all tolls, rentals and other charges and other earned income or receipts, if any, derived by the Authority from such Project are and shall be deemed to be Additional Project Revenues.

Section 618. Authority Budgets.

The Authority shall prepare an Authority Budget on an annual basis, or on such other periodic basis as the Authority Board shall determine, but in no event on a less frequent basis than biennially, which shall include amounts for all anticipated Operating Expenses and reserves therefor, Reserve Maintenance Payments and provision for anticipated deposits into each Fund under this Resolution for the period of such budget. Such Authority Budget may set forth such additional material as the Authority may determine. On or before the first day of each fiscal year or for such applicable period for the Authority Budget as aforesaid, the Authority shall finally adopt the Authority Budget for such period and shall mail such Authority Budget to the Trustee. The Authority may at any time adopt an amended Authority Budget for the remainder of the then current fiscal year or other applicable period. Copies of the Authority Budget and of any amended Authority Budget shall at all times be on file with the Secretary of the Authority, and be available for inspection by the Trustee and by Bondholders. If for any reason the Authority shall not have adopted the Authority Budget before the first day of any fiscal year, the budget for the preceding fiscal year or other applicable period shall be deemed to be in effect for such fiscal year or other applicable period until the Authority Budget for such period is adopted.

Section 619. Inspection of Facilities; Duties of Independent Consultants.

The Authority shall make, or cause the Independent Consultant to make, an inspection of the Facilities at least once every three Authority fiscal years, and, on or before the first day of the first Authority fiscal year in such period to report as to proper maintenance, repair and operation together with an estimate of the moneys necessary for such purposes during each such Authority fiscal year. In any event, the Authority shall cause an Independent Consultant to deliver an Independent Consultant's Certificate either concurring in and approving or making such determinations, as appropriate.

Section 620. Proposed New Interchanges and New Extensions.

Subject to the provisions of Section 609 and except as otherwise qualified as a "Facility Capital Improvement" or, pursuant to Section 616, as an Additional Project, the Authority may construct, acquire or accept any additional tolled roadway or any extension to or expansion of any Facility constituting a tolled roadway or any interchange on any Facility constituting a tolled roadway if and only if there has been submitted to the Trustee with respect to such proposed New Interchange or such proposed New Extension at or prior to the date of undertaking the construction, acquisition or acceptance thereof the following:

(1) A Counsel's Opinion stating whether or not the Authority is required by law to have a license, order or other authority from any federal, State or other governmental agency or regulatory body having lawful jurisdiction in connection with such New Interchange or New Extension, as applicable, and, if so required, that such license, order or other authority has been obtained;

(2) A Counsel's Opinion to the effect that the Authority has good right and lawful authority to acquire, design, construct, maintain, operate, finance, improve, reconstruct, rehabilitate or otherwise undertake such New Interchange or New Extension, and to establish, levy, maintain, collect and adjust, during the term of the Bonds, tolls, rentals, rates, fees or other charges in connection therewith, which establishment, levy, maintenance, collection or adjustment shall not then require or be subject to any governmental approval not applicable to the Original Project;

(3) An Independent Consultant's Certificate setting forth (A) the estimated Net Revenues for all Facilities, together with estimated Reserve Maintenance Payments, excluding the proposed New Interchange or New Extension, for each of the successive five complete Authority fiscal years following the later of (i) two

complete Authority fiscal years following its estimated Date of Completion and (ii) the date of its acquisition or acceptance by the Authority, and (B) the estimated Net Revenues for all Facilities, together with estimated Reserve Maintenance Payments, including the proposed New Interchange or New Extension for each of the same five complete Authority fiscal years; and

(4) A certificate of an Authorized Officer to the effect that the amount of the estimated Net Revenues less estimated Reserve Maintenance Payments determined pursuant to subsection 3(B) above in each of the five Authority fiscal years is not less than 100% of the estimated Net Revenues less estimated Reserve Maintenance Payments for each of the same five years determined pursuant to subsection 3(A) above.

(5) Solely with respect to New Interchanges, the Independent Consultant shall include in its estimate of Net Revenues for each year calculated for purposes of subsection 3(B) above, the amount of any payments to be received in cash upon undertaking such New Interchange together with any payment obligations that have or would have a long-term rating of "A" or better (if so determined by the Authority, such cash payments to be allocated pro rata for each of the years of the test period, whether such payments are in fact applied for capital or operating expenses of such New Interchange); provided, however, that if the Authority Board determines that a period longer than five years will be necessary for the New Interchange to meet the test in subsection 4 without the benefit of such cash payments or payment obligations, the test period shall be expanded accordingly; provided further that no such cash payments or payment obligations may be included for purposes of Subsection 3(B) above in estimating Net Revenues for a New Extension.

(6) A copy of the Supplemental Resolution designating such project to be an Additional Project certified by an Authorized Officer.

Section 621. Limitation on Certain Acquisitions.

Except to the extent of amounts paid to the Authority pursuant to Section 512(2)(iii) hereof, the Authority covenants that no Revenues, Bond proceeds, or proceeds of Junior Indebtedness shall be applied to the purchase or acquisition of any existing facility not, in the opinion of the Authority Board, necessary for the proper operation of an existing Facility or an existing Other Authority Project, except to the extent necessary to pay, in due course or through refunding, any outstanding bonds, notes or other evidences of indebtedness (which bonds, notes or evidences of indebtedness have a lien on revenues of such facility to be acquired) of a public corporation transferring such facility.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701. Security for Deposits. All moneys held on deposit hereunder shall be continuously and fully secured for the benefit of the Authority and, except with respect to the Rebate Fund and the Junior Indebtedness Fund, the Holders of the Bonds by direct obligations of the United States of America or direct obligations of the State or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States of America or by the State as to timely payment of principal and interest of a market value or, if authorized by the Act with respect to Capital Appreciation Bonds and Capital Appreciation and Current Interest Bonds, of an Amortized Value equal at all times to the amount of the deposit; provided, however, (a) that if the securing of such moneys is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Authority, the Trustee or any Paying Agent to give security for the deposit of any moneys with it pursuant to Section 506 or Section 1104 hereof and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on a Series of Bonds, or for the Authority to give security for any moneys which shall be represented by obligations purchased or other investments made under the provisions hereof as an investment of such moneys.

Section 702. Investment of Funds.

1. Amounts in the Funds and accounts established by Section 502 may be invested only in Investment Obligations. Any Trustee shall make such investments in any Funds or accounts held by the Trustee in accordance with any instructions received from an Authorized Officer of the Authority. Except as otherwise provided in the resolution authorizing any series of Bond Anticipation Notes, interest earned by the investment of moneys in each Fund or account hereunder shall be held, deposited or transferred in accordance with Article V hereof.

2. Investment Obligations on deposit in the Funds and accounts held under this Resolution shall have maturity dates, or shall be subject to redemption or tender at the option of the Authority or the Trustee on the respective dates specified by an Authorized Officer, as appropriate, which dates shall be on or prior to the respective dates on which the moneys invested therein are payable for the purposes of such Funds and accounts; provided that in no event shall the remaining term to maturity or redemption upon the demand of the holder thereof of any Investment Obligation credited to the Senior Debt Service Reserve Fund be greater than 7 years from the date such Investment Obligation is credited to such Fund. The Authority, or the Trustee, upon the instructions of an Authorized Officer, shall sell any Investment Obligations held in any Fund or account to the extent required for payments from such Fund or account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or account to the extent required to meet the requirements of such Fund or account. Losses, if any, realized on Investment Obligations held in any Fund or account shall be debited to such Fund or account. In computing the amount of such Funds and accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Investment Obligation to the extent such amount exceeds any accrued interest paid on the purchase of such Investment Obligation shall be treated as interest earned on such Investment Obligation for purposes of this Section.

3. Nothing in the Resolution shall prevent any Investment Obligations acquired as investments of or security for any Fund, account or sub-account held under the Resolution from being held in book-entry form.

ARTICLE VIII

CONCERNING THE TRUSTEE AND THE PAYING AGENTS

Section 801. Trustee; Appointment and Acceptance of Duties. The Trustee shall be appointed in the Supplemental Resolution authorizing the issuance of the first Series of Bonds under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing the certificate of authentication endorsed upon the Bonds, and by executing such certificate upon any Bond the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

Section 802. Paying Agents; Appointment and Acceptance of Duties.

1. The Authority may, in its discretion, appoint one or more Paying Agents for the Bonds of any Series in the Supplemental Resolution authorizing such Bonds at least one of which shall have an office for the transaction of business in the State, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in this Article VIII for the appointment of a successor Paying Agent.

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

3. The principal offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds.

Section 803. Responsibilities of Fiduciaries. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or in respect of the security afforded by the Resolution, and no Fiduciary shall incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to (i) the issuance of the Bonds for value, (ii) the application of the proceeds thereof except to the extent the proceeds are received by it in its capacity as Fiduciary, or (iii) the application of any moneys paid to the Authority or others in accordance herewith except as to the application of any moneys paid to it in its capacity as Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 804. Evidence on Which Fiduciaries May Act.

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

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

other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

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

Section 805. Compensation. The Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties hereunder.

Section 806. Certain Permitted Acts. Any Fiduciary may become the owner of or deal in any Bonds as fully with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in aggregate principal amount of the Bonds then Outstanding in respect of which any such action is taken.

Section 807. Resignation of Trustee. The Trustee may at any time resign and be discharged of its duties and obligations hereby created by giving not less than sixty (60) days' written notice to the Authority, specifying the date when such resignation shall take effect, and mailing notice thereof, to the Holders of all Bonds then Outstanding, and such resignation shall take effect on the day specified in such notice unless previously a successor shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee.

Section 808. Removal of Trustee. The Authority may at any time remove the Trustee initially appointed or any successor thereto by written notice of such removal mailed by first class mail to the Trustee except that the Trustee may not be removed by the Authority during the pendency of an Event of Default; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee. Notice of the removal of the Trustee shall be mailed by first class mail to the registered Holders of all Bonds then Outstanding at least 30 days prior to such removal.

Section 809. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Authority shall appoint a successor Trustee. The Authority shall cause notice of any such appointment to be mailed to all Holders of Bonds.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 30 days after the Trustee shall have given to the Authority written notice as provided in Section 807 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section 809 in succession to the Trustee shall be a bank or trust company organized under the laws of the State of New York or a national banking association and having Capital Funds of at least \$100,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

Section 810. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers, and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 811. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which such Fiduciary may sell or transfer all or substantially all of its business, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided such company shall be a bank having trust powers or a trust company organized under the laws of the State or a national banking association and shall, if it previously had not had such an office, have an office for the transaction of its business in the State, and shall be authorized by law to perform all the duties imposed upon it by the Resolution.

Section 812. Adoption of Authentication. In case any Bonds contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Trustee shall have.

Section 813. Resignation or Removal of Paying Agent and Appointment of Successor. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least sixty (60) days' written notice to the Authority and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by the Authority. Any successor Paying Agent may be appointed by the Authority and (subject to the requirements of Section 802) shall be a bank having trust powers or trust company in good standing organized under the laws of any state of the United States of America or a national banking association, duly authorized to exercise trust powers and subject to examination by federal or state authority, having Capital Funds of at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

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

ARTICLE IX

SUPPLEMENTAL RESOLUTIONS

Section 901. Adoption and Filing. The Authority may adopt at any time or from time to time a Supplemental Resolution to authorize the issue of the initial Series of Bonds and of additional Series of Bonds as provided in Sections 203, 204 and 205 hereof and to prescribe the terms and conditions thereof and any additional terms and conditions upon which such Bonds may be issued.

Section 902. Supplemental Resolutions Effective Upon Adoption. Notwithstanding any other provisions of this Article IX or Article X hereof, the Authority may adopt, for any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution which, upon adoption thereof and filing with the Trustee shall be fully effective in accordance with its terms:

1. To close the Resolution against, or provide limitations and restrictions contained in the Resolution on, the authentication and delivery on original issuance of Bonds or the issuance of other evidences of indebtedness;

2. To add to the covenants and agreements of the Authority contained in the Resolution other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

3. To add to the limitations or restrictions in the Resolution other limitations or restrictions to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

4. To surrender any right, power or privilege reserved to or conferred upon the Authority by the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority herein contained;

5. To confirm, as further assurance, any pledge under, and the subjection to any lien, claim or pledge created or to be created by, the Resolution, or any Supplemental Resolution of the Revenues or the Funds, and other moneys and securities;

6. To modify any of the provisions of the Resolution in any respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered on original issuance after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

7. To modify, amend, insert or delete such provisions of the Resolution as, in Counsel's Opinion, shall be necessary or desirable to ensure the continued federal tax exemption of the interest on any Series of Bonds Outstanding under the Resolution, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

8. To modify, amend or supplement the Resolution in any manner in order to provide for a Credit Facility or a Reserve Credit Facility for any Series of Bonds, under the Resolution, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

9. To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution, under the Resolution, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

10. To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect;

11. To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Section 202 and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

12. To designate or confirm the designation of any project as an Other Authority Project under the Resolution;

13. To designate or confirm the designation of any Other Authority Project, New Interchange or New Extension as an Additional Project under the Resolution; provided that the Authority shall have delivered to the Trustee the certificates and opinions required by Section 616 or Section 620 hereof, as appropriate;

14. To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Resolution, of the Revenues or of any other moneys, securities or funds; or

15. To provide for the application of the proceeds of any sale, exchange, lease or other disposition of any Facility as permitted by Section 607 hereof.

16. To provide for additional investments that may be delivered in lieu of Government Obligations in order to cause Bonds of a Series then or thereafter being initially issued and delivered to be deemed paid within the meaning of Subsection 1 of Section 1104 hereof; provided, however, that any deposit of such investments, together with other moneys and Government Obligations deposited for such purpose, shall in all other respects comply with the requirements of Subsection 2 of Section 1104.

17. Notwithstanding Section 202(A)(xi) and Section 301, to the extent authorized by law and to the extent the Authority shall have received a Counsel's Opinion that it will not adversely affect the exclusion of interest from the income of holders of Bonds for federal income tax purposes for any Bonds issued on a tax-exempt basis, to provide for the delivery of Bonds that are not in registered form.

18. Notwithstanding the terms and provisions of Article IV hereof, to the extent authorized by law and to the extent that it will not adversely affect the exclusion of interest from the income of holders of Bonds for federal income tax purposes for any Bonds issued on a tax-exempt basis, to provide for the delivery of a Series of Bonds or a portion of a Series of Bonds incorporating detachable call options.

Section 903. Supplemental Resolutions Effective with Consent of Trustee. Notwithstanding any other provision of this Article IX or Article X, the Authority may adopt a Supplemental Resolution amending any provision of this Resolution, effective upon filing with the Authority of a written determination of the Trustee and a Counsel's Opinion that such amendment will not materially adversely affect the rights of any Holder of Bonds.

Section 904. Supplemental Resolutions Effective with Consent of Bondholders. Except as permitted in Sections 901, 902 and 903 hereof, at any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders, and in accordance with the provisions of Article X hereof, which Supplemental Resolution, upon adoption and upon compliance with the provisions of said Article X shall become fully effective in accordance with its terms as provided in said Article X.

Section 905. General Provisions. Nothing in this Article IX or in Article X contained shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 604 or the right or obligation of the Authority to execute and deliver to the Trustee any instrument which elsewhere in the Resolution it is provided shall be so delivered.

Any Supplemental Resolution referred to and permitted or authorized by Sections 901, 902, 903 and 904 hereof may be adopted by the Authority without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. Every Supplemental Resolution adopted by the Authority shall be the subject of a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms. Such Counsel's Opinion shall be filed with the Secretary of the Authority.

ARTICLE X
AMENDMENTS

Section 1001. Mailing and Publication.

1. Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority.

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

Section 1002. Powers of Amendment. Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1003, (a) by the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, by the Holders of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds, shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same materially adversely affects or diminishes the right, security and interest of the Holders of Bonds of such Series. The Authority may in its discretion determine whether or not in accordance with the foregoing, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on all Holders of Bonds. The Authority shall, prior to making any such determination, receive a Counsel's Opinion as conclusive evidence as to whether the Bonds of a Series or maturity would be so affected by any such modification or amendment thereof.

Section 1003. Consent of Bondholders. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1002, to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto) together with a request to the Bondholders for their consent thereto, shall be mailed by the Authority to such Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Authority (i) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1002, and (ii) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms. Each such consent shall be effective only if accompanied by proof of the holding or owning, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1201. A certificate or certificates by an Authorized Officer filed with the Authority that he has examined such proof and that such proof is sufficient in accordance with Section 1201 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of such Authorized Officer. Any such consent given by such Holder shall be binding upon such Holder of the Bonds giving such consent and, anything in Section 1201 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Authority prior to the time when the written statement of the Authority

hereinafter in this Section 1003 provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of an Authorized Officer filed with the Authority to the effect that no revocation thereof is on file. At any time after such Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Authority shall make and file with its records relating to the Bonds a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Authority) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, may be given to such Bondholders by the Authority by mailing or causing the mailing of such notice to such Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section provided) and, in the sole discretion of the Authority, by publishing the same at least once not more than ninety (90) days after such Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Authority hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming binding as in this Section provided). If such notice is published, the Authority shall file with its records relating to the Bonds proof of the publication of such notice and, if the same shall have been mailed to such Bondholders, of the mailing thereof. A transcript consisting of the papers required or permitted by this Section to be filed with the Authority records relating to the Bonds, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, or the Holders of all Bonds upon filing with the Authority records of proof of mailing of such notice or at the expiration of forty (40) days after such filing of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Authority during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

Section 1004. Modifications by Unanimous Consent. The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Resolution and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 1003 except that no notice to Bondholders either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the filing with the Authority of the written assent thereto of the Trustee in addition to the consent of the Bondholders.

Section 1005. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article X, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for herein. At the time of any consent or other action taken under this Article, the Authority shall file with its records relating to the Bonds a certificate of an Authorized Officer describing all Bonds so to be excluded.

Section 1006. Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article IX or this Article X provided may, and, if the Authority so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority as to such action, and in that event upon demand of the Holder of any Bond Outstanding at such effective date and presentation to the Authority of his Bond for such purpose, suitable notation shall be made on such Bond by the Authority as to any such action. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding, shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XI

DEFAULTS AND REMEDIES; DEFEASANCE

Section 1101. Events of Default. The occurrence of one or more of the following events shall constitute an “Event of Default”:

(a) payment of principal, Sinking Fund Installments, interest or premium on any Bond shall not be made when the same shall have become due, whether at maturity or upon call for redemption or otherwise, which default shall continue for a period of 5 days; or

(b) failure by the Authority to observe any of the covenants, agreements or conditions on its part contained in the Resolution or in the Bonds contained, and failure to remedy the same for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Authority by the Trustee or to the Authority and the Trustee by the Holders of not less than a majority in aggregate principal amount of Bonds at the time Outstanding; provided that, if such default cannot be corrected within such thirty (30)-day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such period and is diligently pursued until the default is corrected; or

(c) if the Authority (i) admits in writing its inability to pay its debts generally as they become due, (ii) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of the whole or any substantial part of the Facilities, or (v) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Authority or of the whole or any substantial part of the Facilities.

Except as provided above or, to the extent permitted by Section 206 of Article IX hereof, in a Supplemental Resolution or Certificate of Determination, no default under the Act or any resolution, agreement, or other instrument shall constitute or give rise to a default under the Resolution.

Section 1102. Remedies.

1. Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon written request of the Holders of not less than a majority in aggregate principal amount of such Bonds then Outstanding, shall:

(a) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Holders of Bonds under the Resolution;

(b) bring suit upon such Bonds;

(c) by action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the Holders of such Bonds;

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of such Bonds;

(e) declare all such Bonds due and payable, and if all defaults shall be made good then with the consent of the Holders of not less than a majority in aggregate principal amount of such Bonds then outstanding, annul such declaration and its consequences.

2. The Trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the Holders of the Bonds in the enforcement and protection of their rights.

3. The Supreme Court of the State shall have jurisdiction of any suit, action or proceeding by the Trustee on behalf of the Holders of Bonds, and venue of any such suit, action or proceeding shall be laid in the County of Albany.

4. No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Holders of the Bonds is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of this Resolution, except that the rights of Bondholders pursuant to Section 368 of the Act as in effect on the date of adoption of this General Revenue Bond Resolution are hereby abrogated.

5. No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust hereunder, or any other remedy hereunder or under the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee so to do, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Resolution, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of Outstanding Bonds, subject, however, to the provisions of Section 602. Nothing in the Resolution or in the Bonds contained shall affect or impair the right of action, which is also absolute and unconditional, of any Holder of any Bond to enforce payment of the principal of and premium, if any, and interest on such Bond at the respective dates of maturity of each of the foregoing and at the places therein expressed.

6. All rights of action under the Resolution or under any of the Bonds which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name, as trustee, for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of the Resolution.

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

Section 1103. Priority of Payments After Default. In the event that the funds held by the Authority, the Trustee or by the Paying Agents shall be insufficient for the payment of principal, Sinking Fund Installments, if any, or Redemption Price and interest then due on the Bonds, such funds (other than funds held for the payment of particular Bonds which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any fund or account under the Resolution have been designated to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Bond Anticipation Notes and subject to the provisions governing the application of any separate account in the Senior Debt Service Reserve Fund for a particular Series of Bonds established in the Supplemental Resolution authorizing such Series of Bonds) and any other moneys received or collected by the Trustee or any Paying Agents, or a trustee appointed pursuant to Section 1102 hereof and in accordance with the Act, after making provision for the payment of any expenses necessary in the opinion of the Authority to preserve the continuity of the Revenues, or otherwise protect the interests of the Holders of the Bonds, and after making provision for the payment of the reasonable charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their duties under the Resolution, shall be applied as follows:

(1) Unless the principal of all of the Bonds shall have become or have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Bonds; and

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

(2) If the principal of all of the Bonds shall have become or have been declared due and payable, after making payment to the Fiscal Agent of all amounts owing or to be owed with respect to Guaranteed Bonds, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

The provisions of this Section 1103 are in all respects subject to the provisions of Section 602 hereof.

Section 1104. Defeasance.

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds then Outstanding, the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, thereof and interest to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Authority, the covenants, agreements and other obligations of the Authority to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Authority shall execute and file with its records relating to the Bonds all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee and any Paying Agents if any, shall pay over or deliver to the Authority all moneys, securities and funds held by them pursuant to this Resolution which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption.

2. Bonds for the payment or redemption of which moneys shall have been set aside and shall be held by the Trustee (through deposit by the Authority of funds for such payment or otherwise) at the maturity date or Redemption Date of such Bonds shall be deemed to have been paid within the meaning of this Section 1104. Any Bonds of any Series shall prior to the maturity or Redemption Date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section 1104 if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have published or caused to be published as provided in Article IV hereof notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Authority either moneys in an amount which shall be sufficient, or Government Obligations or other investments authorized for such purpose in accordance with Subsection 16 of Section 902 hereof ("Other Authorized Investments") the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Authority at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date as the case may be, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall (i) publish, as soon as practicable, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper a notice to the Holders of such Bonds, and (ii) mail by registered or certified mail, postage prepaid, a notice to the Holders of such Bonds, in each case that the deposit required by (b) above has been

made and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity date or Redemption Date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, on said Bonds. The Authority shall select which Bonds of a Series and which maturity thereof shall be paid in accordance with this Section in the manner provided in Section 404 hereof. Neither Government Obligations, Other Authorized Investments or moneys deposited pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on said Bonds; provided that any moneys received from such principal or interest payments on such Government Obligations or Other Authorized Investments so deposited, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations or Other Authorized Investments maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such Redemption Date, payment date or maturity date thereof, as the case may be. Any income or interest earned by, or increment to, the investment of any such moneys so deposited shall, to the extent in excess of the amounts required hereinabove to pay principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be applied as follows: first to the Rebate Fund, the amount, if any, required to be deposited therein; and, then the balance thereof to the Authority, and any such moneys so paid shall be released of any trust, pledge, lien, encumbrance or security interest created hereby. Prior to applying any such excess amounts, the Authority shall obtain written confirmation from an independent certified public accountant that the amounts remaining on deposit and held in trust are sufficient to pay the obligations set forth above.

3. Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable either at their stated maturity dates or earlier Redemption Dates or for two (2) years after the date of deposit of such moneys if deposited with the Trustee, after the said date when such Bonds became due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds. Before being required to make any such payment to the Authority, the Trustee shall, at the expense of the Authority, (i) cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, and (ii) cause to be mailed postage prepaid to each registered owner of Bonds then Outstanding at his or her address, if any, appearing upon the registry books of the Authority, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication or mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

ARTICLE XII

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

Section 1201. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds, shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Authority, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Authority or any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice-president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

(2) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority, the Trustee or any Paying Agent in accordance therewith except as otherwise provided in Section 1003 hereof.

ARTICLE XIII

MISCELLANEOUS

Section 1301. Moneys Held for Particular Bonds. The amounts held by the Trustee or any Paying Agent for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto and for the purposes hereof such principal, Sinking Fund Installments, if any, or Redemption Price of and interest on such Bonds, due after such date thereof, shall no longer be deemed to be Outstanding Bonds.

Section 1302. Cancellation of Bonds. All Bonds paid by the Trustee or a Paying Agent upon the maturity of such Bonds shall forthwith be cancelled by it and delivered to the Authority and no such Bonds shall be deemed Outstanding Bonds.

Section 1303. General Regulations as to Moneys and Funds. Each of the Funds and accounts established by the Resolution shall be a trust fund for the purposes thereof.

All Revenues and other moneys of the Authority held or set aside under the Resolution shall, until paid over to the Trustee or the Paying Agents or otherwise invested or applied as provided in the Resolution, be deposited by the Authority in its name, on demand or time deposit, in such banks or trust companies as shall be selected by the Authority. Any such deposit may be made in the commercial banking department of the Trustee or any Paying Agent which may honor checks and drafts on such deposit with the same force and effect as if it were not such Trustee or Paying Agent and without any duty to inquire into whether any withdrawals of such funds are in accordance with or might violate any of the provisions of the Resolution. Such deposits shall be secured in the manner set forth in Article VII hereof and shall be segregated in trust for the account of the Authority, or shall be otherwise held as the Authority and the depository may agree. Securities deposited with the Federal Reserve Bank to secure all trust accounts of a depository shall be deemed to comply with the foregoing requirements.

All moneys held by the Trustee or any Paying Agent, as such, may be deposited by such Trustee or Paying Agent in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such the Trustee or Paying Agent, on time deposit, and all such moneys shall be secured in the manner set forth in Article VII hereof. Securities deposited with the Federal Reserve Bank to secure all trust accounts of the Trustee or Paying Agent shall be deemed to comply with the foregoing requirements. Such Trustee or Paying Agent shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

Section 1304. Preservation and Inspection of Documents. All documents received by the Trustee or any Paying Agent under the provisions of the Resolution or any Supplemental Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Trustee or any other Paying Agent, as applicable, and any Bondholder and their agents and their representatives; provided, however, that with respect to inspection by a Holder of a Bond of any Series a written request of such Bondholder must have been made and received by the Trustee at least five (5) Business Days prior to the date of inspection. The Authority or its representatives may make copies of any such documents.

Section 1305. Parties of Interest. Nothing in the Resolution or in any Supplemental Resolution, expressed or implied, is intended or shall be construed to confer upon, or give to, any person or party, other than the Authority, the Trustee, any Paying Agent, and the Holders of the Bonds any right, remedy or claim under or by reason of the Resolution or any Supplemental Resolution or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in the Resolution or any Supplemental Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agents and the Holders of the Bonds.

Section 1306. No Recourse Under Resolution or on the Bonds. All covenants, stipulations, promises, agreements and obligations of the Authority contained in the Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer or

employee of the Authority in his individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price or interest on the Bonds or for any claim based thereon or on the Resolution against any member, officer or employee of the Authority or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of a Bond by the acceptance of such Bonds.

Section 1307. Publication of Notices. Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in different Authorized Newspapers.

Section 1308. Notices. Except as otherwise provided herein, any notices, directions, instructions or other instruments required to be given or delivered pursuant hereto or to any Supplemental Resolution shall be in writing and shall be delivered by hand against the written receipt therefor or sent by registered or certified mail addressed: in the case of the Authority, to it to the attention of the Authority's General Counsel at 200 Southern Boulevard, Post Office Box 189, Albany, New York 12201-0189; in the case of the Paying Agent or the Trustee, addressed to it at the office of the Paying Agent or the Trustee at the address designated in writing by the Paying Agent or by the Trustee, as the case may be; or, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons.

The Authority shall notify Moody's and S&P, so long as either such rating agency is then maintaining a rating on the Bonds then Outstanding, of any Qualified Swap, Qualified Reserve Swap or other similar arrangement entered into by the Authority in connection with any Bonds.

Section 1309. Successors and Assigns. Whenever in the Resolution the Authority is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in the Resolution contained by or on behalf of the Authority shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 1310. Severability of Invalid Provisions. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in the Resolution on the part of the Authority, the Trustee or any Paying Agent to be performed should be determined by a court of final jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, agreement or agreements or obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of the Resolution.

Section 1311. Headings. Any headings preceding the texts of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, reconditioning or effect.

Section 1312. Other Resolutions. The Authority expressly reserves the right to adopt one or more other bond resolutions and to issue bonds, bond anticipation notes, notes and other obligations thereunder without compliance with the provisions hereof.

Section 1313. Survival of Particular Covenants. The obligation of the Authority to comply with the provisions of Section 509 hereof with respect to the rebate to the Department of the Treasury of the United States of America of any Rebate Amount relating to the Bonds of a Series shall remain in full force and effect so long as the Authority shall be required by the Code to rebate such Rebate Amount notwithstanding that Bonds are no longer Outstanding.

Section 1314. Actions by the Authority. Any time the Authority is permitted or directed to act pursuant to this Resolution or a Supplemental Resolution, such action may be taken by an Authorized Officer of the Authority except that the following actions may only be taken by resolution of the members of the Authority: authorization and issuance of bonds; adoption of resolutions; modifications and amendments pursuant to Articles IX

and X hereof. Any certificates of the Authority to be delivered hereunder shall be executed by an Authorized Officer.

Section 1315. Governing Laws. This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 1316. Payments due on Saturdays, Sundays and holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be on a day that is not a Business Day, then payment of interest or principal and premium, if any, need not be made on such date but may be made (without additional interest) on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, as the case may be.

Section 1317. Effective Date. The Resolution shall take effect immediately.