

RESOLUTION



of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

RESOLUTION

Approval of: Revised Sixteenth Supplemental Debt Resolution for Financing the Second Central Business District (CBD) Light Rail Alignment Project (D2 Subway) Through Issuance of Sales Tax and Pledged Farebox Revenue Bonds

WHEREAS, on January 23, 2001, the Board approved the Master Debt Resolution (Resolution No. 010014) and the First Supplemental Debt Resolution authorizing \$500 million in DART Commercial Paper Notes, Series 2001 (Resolution No. 010015); and

WHEREAS, following Board approval of the Master Debt Resolution and the First Supplemental Debt Resolution, the Board, over a period of time, subsequently approved the Supplemental Debt Resolutions Second through Twentieth, which authorized the issuance of Revenue Bonds and Commercial Paper Notes to finance the acquisition of capital assets and refund existing debt; and

WHEREAS, on August 28, 2018 (Resolution No. 180083) and on September 17, 2019 (Resolution No. 190104), the Board approved the Amended and Restated Sixteenth Supplemental Debt Resolution for financing of the Second Central Business District (CBD) Light Rail Alignment Project (D2 Subway) and the Revised Sixteenth Supplement Debt Resolution (the "Sixteenth Supplemental") for financing of the Second Central Business District (CBD) Light Rail Alignment Project (D2 Subway), respectively; and

WHEREAS, it has been determined that certain changes are needed in the Delegation to Authorized Officers set out in Section 3.3 of the Revised Sixteenth Supplement; and

WHEREAS, the Revised Sixteenth Supplemental Debt Resolution permits that any debt authorized be issued within twelve months of the authorization thereof by the DART Board; and

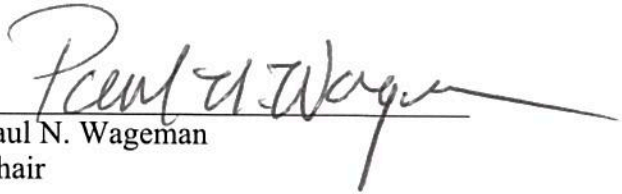
WHEREAS, the Revised Sixteenth Supplemental Debt Resolution is to authorize the issuance of debt for the purpose of financing the Second Central Business District (CBD) Light Rail Alignment Project (D2 Subway), to be issued in multiple series; and

WHEREAS, funding for this financial transaction is within proposed Budget and FY 2021 Twenty-Year Financial Plan allocations and will require approval by a two-thirds vote of the Board.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

- Section 1: Approval of the Revised Sixteenth Supplemental Debt Resolution, in substantially the same form as shown in Exhibit 1 to this Resolution, for the purpose of financing the Second Central Business District (CBD) Light Rail Alignment Project (D2 Subway) to be issued in multiple series.
- Section 2: Authorizing the President/Executive Director and other designated Authorized Officers to sign all debt resolution agreements and documents, subject to the conditions and parameters set out in the Revised Sixteenth Supplemental Debt Resolution.


Jonathan R. Kelly
Secretary


Paul N. Wageman
Chair

APPROVED AS TO FORM:


Gene Gamez
General Counsel

ATTEST


Gary C. Thomas
President/Executive Director

September 8, 2020
Date

DALLAS AREA RAPID TRANSIT

REVISED
SIXTEENTH SUPPLEMENTAL DEBT RESOLUTION

authorizing

DALLAS AREA RAPID TRANSIT
SENIOR LIEN SALES TAX REVENUE BONDS

Adopted _____, 2020

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1	Short Title	3
Section 1.2	Definitions.....	3
Section 1.3	Table of Contents, Titles and Headings	9
Section 1.4	Interpretation	9
Section 1.5	Declarations and Additional Rights and Limitations Under Master Debt Resolution and Other Documents	9

ARTICLE II

PURPOSES, PLEDGE AND SECURITY FOR BONDS

Section 2.1	Purposes of Resolution.....	11
Section 2.2	Pledge of Pledged Revenues	11
Section 2.3	Pledge, Security for, Sources of Payment of Bonds	11
Section 2.4	Covenant Regarding Operating Expenses.....	12

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS
OF THE BONDS; DELEGATION TO AUTHORIZED OFFICERS

Section 3.1	Authorization; Taxable and Tax-Exempt Bonds.....	12
Section 3.2	General Terms and Provisions of the Bonds.....	12
Section 3.3	Delegation to Authorized Officers	13
Section 3.4	Execution of Bond Purchase Agreement	14
Section 3.5	Medium, Method and Place of Payment	14
Section 3.6	Ownership	15
Section 3.7	Ownership, Registration, Transfer and Exchange.....	16
Section 3.8	Cancellation and Authentication	17
Section 3.9	Temporary Bonds.....	17
Section 3.10	Replacement Bonds.....	18
Section 3.11	Book-Entry Only System	19
Section 3.12	Successor Securities Depository	19
Section 3.13	Payments to Cede & Co	20

ARTICLE IV

RESERVED

ARTICLE V

REDEMPTION OF BONDS BEFORE MATURITY

Section 5.1	Limitation on Redemption	20
Section 5.2	Optional Redemption	20
Section 5.3	Mandatory Redemption of Certain Bonds	20
Section 5.4	Redemption Procedures	21
Section 5.5	Notice of Redemption to Holders	21
Section 5.6	Payment Upon Redemption	22
Section 5.7	Effect of Redemption	22

ARTICLE VI

PAYING AGENT/REGISTRAR

Section 6.1	Appointment of Initial Paying Agent/Registrar	22
Section 6.2	Qualifications	22
Section 6.3	Maintaining Paying Agent/Registrar.....	23
Section 6.4	Termination	23
Section 6.5	Notice of Change.....	23
Section 6.6	Agreement to Perform Duties and Functions.....	23
Section 6.7	Delivery of Records to Successor	23

ARTICLE VII

FORM OF THE BONDS

Section 7.1	Form Generally	23
Section 7.2	Form of Bonds	24
Section 7.3	CUSIP Registration.....	38
Section 7.4	Legal Opinion.....	38
Section 7.5	Security Agreement, Filings	38
Section 7.6	Statement of Insurance	39

ARTICLE VIII

EXECUTION, APPROVAL, REGISTRATION, SALE
AND DELIVERY OF BONDS AND RELATED DOCUMENTS

Section 8.1	Method of Execution, Delivery of Bonds	39
Section 8.2	Approval and Registration	40

ARTICLE IX

GENERAL PROVISIONS

Section 9.1	Deposit and Uses of Bond Proceeds	40
Section 9.2	Payment of the Bonds	41
Section 9.3	Representations and Covenants.....	41
Section 9.4	Tax Covenants.....	41
Section 9.5	Payment of Certain Costs.....	44

ARTICLE X

PAYMENT AND REDEMPTION OF REFUNDED OBLIGATIONS;
APPROVAL OF ESCROW AGREEMENT; PURCHASE OF ESCROWED SECURITIES

Section 10.1	Redemption of Refunded Obligations.....	44
Section 10.2	Subscription of Escrowed Securities.....	44
Section 10.3	Approval of Escrow Agreement.....	44
Section 10.4	Notice of Deposit	44
Section 10.5	Notice of Redemption	44

ARTICLE XI

APPROVAL OF OFFICIAL STATEMENT; REPEAL;
SEVERABILITY; PRIOR ACTIONS; AND EFFECTIVE DATE

Section 11.1	Approval of Official Statement.....	45
Section 11.2	Continuing Disclosure.....	45
Section 11.3	Prior Actions	48
Section 11.4	Resolution Irrepealable	48
Section 11.5	Severability	48
Section 11.6	Further Action	48
Section 11.7	Effective Date.....	48

REVISED SIXTEENTH SUPPLEMENTAL DEBT RESOLUTION AUTHORIZING THE ISSUANCE OF DALLAS AREA RAPID TRANSIT SENIOR LIEN SALES TAX REVENUE BONDS IN ONE OR MORE SERIES IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,100,000,000, SUBJECT TO CERTAIN PARAMETERS; PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS RELATING TO SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ESCROW AGREEMENT(S); APPOINTING A PAYING AGENT/REGISTRAR; AUTHORIZING APPROVAL OF PRELIMINARY OFFICIAL STATEMENT(S) AND FINAL OFFICIAL STATEMENT(S); PROVIDING FOR THE EXECUTION AND DELIVERY OF THE BONDS; PROVIDING OTHER TERMS, PROVISIONS AND COVENANTS WITH RESPECT TO THE BONDS; PLEDGING ADDITIONAL REVENUES; AND RESCINDING PRIOR ACTIONS OF THE BOARD

WHEREAS, Dallas Area Rapid Transit ("DART") is a regional transportation authority, public body corporate and politic, operating pursuant to the laws of the State of Texas, including the provisions and requirements of Chapter 452, Texas Transportation Code, as amended (the "Act"); and

WHEREAS, on January 23, 2001, the Subregional Board of Directors (the "Board") of DART adopted its Master Debt Resolution (the "Master Debt Resolution") relating to the financing and refinancing of expansions, improvements and further developments to DART's System. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned thereto in the Master Debt Resolution; and

WHEREAS, the Master Debt Resolution establishes the provisions, terms, and conditions of, and the security for, DART's bonds, notes, and credit agreements, to be issued and executed from time to time for its lawful purposes, by (i) prescribing the terms and conditions upon the basis of which the Initial Senior Lien Obligations, Additional Senior Lien Obligations, and Subordinate Lien Obligations, including Credit Agreement Obligations, may be issued and executed, and (ii) providing, establishing, and confirming the pledge, security, and liens securing DART's obligations to pay all of such Obligations when due; and

WHEREAS, pursuant to certain amendments to the Act, being Acts 2009, 81st Leg., Ch. 47, §1, effective May 19, 2009, DART is now authorized to pledge to the payment of its Obligations any part of the revenue of its public transportation system, such pledge being a first lien or charge against such revenues; and

WHEREAS, pursuant to the authority of the Act and Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), DART has determined to pledge, in addition to the Gross Sales Tax Revenues, certain of its System revenues, consisting of a portion of its farebox revenues

(such portion defined herein as the “Pledged Farebox Revenues”), as additional security for the Obligations and, thereby, subject such Pledged Farebox Revenues to the pledge and lien of the Master Debt Resolution as additional funds constituting Pledged Revenues; and

WHEREAS, the Board on September 12, 2017 approved Resolution 170093, which approved the “Sixteenth Supplemental Debt Resolution”; on August 28, 2018 approved Resolution 180083, which approved the “Amended and Restated Supplemental Debt Resolution”; and on September 17, 2019 approved Resolution 190104, which approved the “Revised Supplemental Debt Resolution”; and

WHEREAS, the Board hereby desires and determines by the approval of this “Revised Sixteenth Supplemental Debt Resolution” to rescind in its entirety the “Sixteenth Supplemental Debt Resolution” and “Amended and Restated Sixteenth Supplemental Debt Resolution” and “Revised Supplemental Debt Resolution”; and

WHEREAS, the Board, pursuant to Chapter 1207 of the Texas Government Code, as amended (“Chapter 1207”) and Chapter 1371, hereby determines that DART should authorize and issue Additional Senior Lien Obligations permitted by Section 3.2 of the Master Debt Resolution for the purposes of (i) refunding all or any portion of the Refunded Obligation Candidates, (ii) paying the Costs of Acquisition and Construction of DART facilities related to the “Project” (as such term is defined herein) and (iii) paying the costs of issuance thereof; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of DART that the Additional Senior Lien Obligations issued pursuant to this Resolution be publicly marketed and sold pursuant to one or more Bond Purchase Agreements; and

WHEREAS, Chapter 1207 authorizes DART to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any place of payment for any of the Refunded Obligations, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 authorizes DART to enter into an escrow agreement with any place of payment for the Refunded Obligations, or other commercial bank or trust company that meets the qualifications set forth in Chapter 1207, with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as DART and such entity may agree, provided that such deposits may be invested and reinvested only in Government Securities (as defined in Section 10.2(e) of the Master Debt Resolution) and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the Refunded Obligations; and

WHEREAS, the escrow agreement hereinafter authorized constitutes an escrow agreement of the kind authorized by Chapter 1207; and

WHEREAS, the Board hereby finds and determines that the specific terms and provisions of such series of Additional Senior Lien Obligations shall be as set forth in the Pricing Certificate authorized to be executed as prescribed herein, such specific terms and provisions being subject to the parameters set forth in this Resolution; and

WHEREAS, the Board hereby finds and determines that a portion of the Bonds issued hereunder as set forth in the Pricing Certificate may be applied to the payment of the Costs of Acquisition and Construction of DART facilities related to the Project within the limits herein prescribed; and

WHEREAS, the Board hereby finds and determines that the issuance of such Additional Senior Lien Obligations for the purpose of paying the Costs of Acquisition and Construction of DART facilities related to the Project is in the best interests of DART and is in the public interest, and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

WHEREAS, the Board hereby finds and determines that it is not practical to determine on the date hereof the aggregate amount by which the debt service payments on the bonds authorized hereby (the "Bonds") exceed the debt service payments on the Refunded Obligations, and that the issuance of the Additional Senior Lien Obligations is in the best interest of DART in order to restructure the annual debt service requirements of DART; and

WHEREAS, the Board finds and determines that the meeting at which this Resolution is adopted is open to the public, and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Resolution, was given, all as required by Applicable Law;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DART:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1 Short Title. This Resolution may be cited herein as the or this "Resolution," and hereafter in other documents and without further description as the "Revised Sixteenth Supplemental Debt Resolution."

Section 1.2 Definitions. The capitalized terms used herein, including in the preambles hereto, that are not otherwise defined herein shall have the same meanings and definitions as are applied to such terms, respectively, in, or incorporated into, the Master Debt Resolution. Additionally, unless otherwise expressly provided or unless the context clearly requires otherwise, the following additional terms shall have the respective meanings specified below:

"Authorized Officer" – means the President/Executive Director; the Chief Financial Officer; the Senior Vice President, Finance; the Treasurer; the Assistant Treasurer; and such other officers or employees of DART as may be authorized to perform duties under this Resolution by the Board.

"Bond" – means any of the Bonds.

"Bond Counsel" and "Co-Bond Counsel" – mean one or more firms of nationally recognized attorneys (including groups of attorneys) selected by DART that are experienced in financings through the issuance of tax-exempt obligations under section 103 of the Code.

“Bond Purchase Agreement” – means, collectively, one or more Bond Purchase Agreements to be entered into between DART and the Underwriters.

“Bonds” – means the Additional Senior Lien Obligations, in one or more series, authorized by Section 3.2 of the Master Debt Resolution and further described in Sections 3.1 and 3.2 hereof and the Pricing Certificate.

“Capital Appreciation Bonds” – means, collectively, the Bonds designated as Capital Appreciation Bonds in the Pricing Certificate, if any, and with respect to which interest is compounded semiannually and is payable only at Maturity.

“Chief Financial Officer” – means the Chief Financial Officer of DART.

“Closing Date” – means the date(s) on which the Bonds are actually delivered to and paid for by the Underwriters.

“Code” – means the Internal Revenue Code of 1986, as amended.

“Coverage Tests” – mean the financial tests that DART is required to meet as preconditions to the issuance of Senior Lien Obligations as set forth in Sections 3.2(b)(iii) and 3.2(b)(iv) of the Master Debt Resolution.

“Current Interest Bonds” – means, collectively, the Bonds designated as Current Interest Bonds in the Pricing Certificates and with respect to which interest is payable on each Interest Payment Date.

“Dated Date” – means the date(s) set forth on each of the Bonds.

“Designated Payment/Transfer Office” – means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Houston, Texas, or such other location as may be designated by the Paying Agent/Registrar by written notice to DART, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by DART and such successor.

“DTC” – means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” – means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among such parties.

“Eighteenth Supplemental Debt Resolution” – means Resolution Number 180121 adopted by the Board on November 13, 2018, that authorizes DART’s Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series III.

“Eighth Supplemental Debt Resolution” – means Resolution Number 120053 adopted by the Board on April 24, 2012, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds, Series 2012.

“Eleventh Supplemental Debt Resolution” – means Resolution Number 140108 adopted by the Board on October 7, 2014, that authorizes DART’s Senior Lien Sales Tax Revenue Refunding Bonds, Series 2014A.

“EMMA” – means the Electronic Municipal Market Access System.

“Escrow Agent” – means the entity named as escrow agent in the Escrow Agreement, and its successors and assigns.

“Escrow Agreement” – means each Escrow Agreement to be executed between DART and the Escrow Agent as contemplated and authorized in Section 10.3.

“Escrow Fund” – means the special fund established by that name in the Escrow Agreement.

“Federal Tax Certificate” – means one or more certificates regarding federal income tax matters, delivered by DART at the time of the first delivery of any of the Bonds, as amended or supplemented from time to time.

“Fifteenth Supplemental Debt Resolution” – means Resolution No. 180083, adopted by the Board on August 28, 2018, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds, Series 2018.

“Fifth Supplemental Debt Resolution” – means Resolution No. 080078, adopted by the Board on May 27, 2008, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds, Series 2008.

“First Supplemental Debt Resolution” – means Resolution Number 010015, adopted by the Board on January 23, 2001, as amended by the Board on October 25, 2005, pursuant to Resolution Number 050149, and on April 13, 2010, pursuant to Resolution Number 100049.

“Fourteenth Supplemental Debt Resolution” – means Resolution Number 160023 adopted by the Board on March 8, 2016, that authorizes DART’s Senior Lien Sales Tax Revenue Refunding Bonds, Series 2016A and DART’s Senior Lien Sales Tax Revenue Refunding Bonds, Series 2016B.

“Fourth Supplemental Debt Resolution” – means Resolution Number 070013, adopted by the Board on January 23, 2007, that authorizes DART’s Senior Lien Sales Tax Revenue Refunding Bonds, Series 2007.

“Improvement Bonds” – means those Bonds issued to finance the Costs of Acquisition and Construction.

“Initial Bonds” – means the Initial Current Interest Bond and the Initial Capital Appreciation Bond described in Section 7.2(a) and (b).

“Initial Capital Appreciation Bonds” – means the Initial Capital Appreciation Bonds authorized by Section 7.2(a).

“Initial Current Interest Bonds” – means the Initial Current Interest Bonds authorized by Section 7.2(b).

“Interest Payment Date” – means the date or dates upon which interest on the Bonds is scheduled to be paid, such dates being June 1 and December 1 of each year commencing on the date set forth in the Pricing Certificate.

“Mandatory Redemption Dates” – means the dates on which DART is obligated to redeem Bonds in advance of their respective Stated Maturity Dates in accordance with Section 5.3, which dates are set forth in the Pricing Certificate.

“Master Debt Resolution” – means Resolution Number 010014, bearing that title, and adopted by the Board on January 23, 2001, as from time to time amended and supplemented.

“Master Paying Agent Agreement” – means the Master Paying Agent Agreement between DART and the Paying Agent/Registrar that specifies the duties and responsibilities of the Paying Agent/Registrar with respect to the Bonds and other Obligations issued by DART pursuant to the authority reserved in the Master Debt Resolution.

“Maturity” – means the date on which the principal of the Current Interest Bonds and the Maturity Amount of the Capital Appreciation Bonds becomes due and payable according to the terms thereof, whether at Stated Maturity or by proceeding for prior redemption.

“Maturity Amount” – means with respect to the Capital Appreciation Bonds, the original principal amount thereof plus the initial premium, if any, paid therefor, plus interest accredited and compounded therein, as set forth herein and in the Pricing Certificate, and payable at Maturity.

“Nineteenth Supplemental Debt Resolution” – means Resolution Number 190020, adopted by the Board on February 12, 2019, that authorized DART’s Senior Lien Sales Tax Revenue Refunding Bonds, Series 2019.

“Ninth Supplemental Debt Resolution” – means Resolution Number 120162, adopted by the Board on November 13, 2012, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds, Taxable Series 2012A.

“Notes” – means (i) the Dallas Area Rapid Transit Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series I (Self Liquidity) (the “Series I Notes”) previously authorized by the Board pursuant to Section 3.3(a) of the Master Debt Resolution and by the Tenth Supplemental Debt Resolution as amended by the First Amendment to Tenth Supplemental Debt Resolution and as such Tenth Supplemental Debt Resolution may be further amended from time to time, (ii) the Dallas Area Rapid Transit Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series II (the “Series II Notes”) previously authorized by the Board pursuant to Section 3.3(a) of the Master Debt Resolution and the Seventeenth Supplemental Debt Resolution and (iii) the Dallas Area Rapid Transit Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series III (the “Series III Notes”) previously authorized by the Board pursuant to Section 3.3 of the Master Debt Resolution and the Eighteenth Supplemental Debt Resolution.

“Outstanding Resolutions” – means the Master Debt Resolution, the First Supplemental Debt Resolution, the Second Supplemental Debt Resolution, the Third Supplemental Debt Resolution, the Fourth Supplemental Debt Resolution, the Fifth Supplemental Debt Resolution, the Sixth Supplemental Debt Resolution, the Seventh Supplemental Debt Resolution, the Eighth Supplemental Debt Resolution, the Ninth Supplemental Debt Resolution, the Tenth Supplemental Debt Resolution, as amended, the Eleventh Supplemental Debt Resolution, the Twelfth Supplemental Debt Resolution, the Thirteenth Supplemental Debt Resolution, the Fourteenth Supplemental Debt Resolution, as amended, Fifteenth Supplemental Debt Resolution, the Revised Sixteenth Supplemental Debt Resolution, the Seventeenth Supplemental Debt Resolution, the Eighteenth Supplemental Debt Resolution and the Nineteenth Supplemental Debt Resolution, and any other Supplemental Resolutions under and pursuant to which any Outstanding Obligations have been issued or executed, or prior resolutions amended.

“Paying Agent/Registrar” – means the commercial bank heretofore designated and appointed by DART to serve in such capacity, or any successor thereto as provided in this Resolution.

“Pledged Funds” – means the Senior Lien Debt Service Fund and the special accounts created thereunder.

“Pledged Farebox Revenues” – means with respect to any Debt Service Accrual Period, all fares collected by or on behalf of DART for its bus, rail and paratransit services in an amount no less than the amounts stated in Schedule I attached hereto, and to the extent the Bonds or any obligations continue to be outstanding beyond the last year set forth in Schedule I, the amount of Pledged Farebox Revenues in each year thereafter shall never be less than the amount set forth in Schedule I for the final year. The amounts stated in Schedule I attached hereto are based on amounts stated in Column C of Exhibit B to the Pricing Certificate with respect to the Senior Lien Sales Tax Revenue Bonds, Series 2010B.

“Preliminary Official Statement” – means the Preliminary Supplemental Official Statement, if any, relating to the Bonds as approved in Section 11.1.

“President” – means the President/Executive Director of DART.

“Pricing Certificate” – means one or more certificates executed by the Authorized Officer, as contemplated and authorized in Section 3.3.

“Project” – means the Second Central Business District Light Rail Alignment Project.

“Rebate Fund” – means the special fund created in Section 9.4(h) and is the type of fund referred to in the definition of that term in the Master Debt Resolution.

“Record Date” – means with respect to the Current Interest Bonds, the close of business on the 15th day of the month next preceding an Interest Payment Date or such other date as set forth in the Pricing Certificate.

“Redemption Prices” – means the respective prices at which Bonds are to be redeemed pursuant to the optional and mandatory redemption provisions hereof, the specific redemption prices being set forth in the Pricing Certificate.

“Refunded Obligation Candidates” – means the Notes and any other short-term or interim obligations related to the Project and authorized under the Master Debt Resolution, which are authorized to be designated as Refunded Obligations in the Pricing Certificate.

“Refunded Obligations” – means the obligations designated in the Pricing Certificate from the universe of Refunded Obligation Candidates.

“Representation Letter” – means the “Blanket Issuer Letter of Representations” between DART and DTC, as ratified in Section 3.11(c).

“Resolution” – means the Revised Sixteenth Supplemental Debt Resolution.

“Revised Sixteenth Supplemental Debt Resolution” – means this Resolution that authorizes the Bonds.

“Second Supplemental Debt Resolution” – means Resolution Number 010096 adopted by the Board on July 10, 2001, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds, Series 2001.

“Seventeenth Supplemental Debt Resolution” – means Resolution Number 180120, adopted by the Board on November 13, 2018, that authorizes DART’s Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series II.

“Seventh Supplemental Debt Resolution” – means Resolution Number 100114 adopted by the Board on September 14, 2010, that authorizes DART’s Senior Lien Sales Tax Revenue Refunding Bonds, Series 2010A and DART’s Senior Lien Sales Tax Revenue Bonds, Series 2010B.

“Sixth Supplemental Debt Resolution” – means Resolution Number 090076 adopted by the Board on May 26, 2009, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds, Series 2009A and DART’s Senior Lien Sales Tax Revenue Bonds, Taxable Series 2009B (Build America Bonds – Direct Payment to Issuer).

“Stated Maturity Dates” – means the respective dates on which the Bonds are stated to mature as provided in the Pricing Certificate.

“Taxable Bonds” – means Bonds on which the interest thereon is includable in gross income for federal tax purposes.

“Tax-Exempt Bonds” – means Bonds on which the interest thereon is not includable in gross income for federal tax purposes.

“Tenth Supplemental Debt Resolution” – means, collectively, Resolution Number 130030, adopted by the Board on April 9, 2013, as amended by Resolution of the Board on adopted June 24, 2014, that authorizes the Notes.

“Third Supplemental Debt Resolution” – means Resolution Number 020114 adopted by the Board on July 9, 2002, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds, Series 2002.

“Thirteenth Supplemental Debt Resolution” – means Resolution Number 150118 adopted by the Board on November 17, 2015, that authorizes DART’s Senior Lien Sales Tax Revenue Refunding and Improvement Bonds, Series 2015 and DART’s Senior Lien Sales Tax Revenue Refunding Bonds, Series 2016A, for the purposes and terms as set forth in the relevant Pricing Certificate.

“Twelfth Supplemental Debt Resolution” – means Resolution Number 140125 adopted by the Board on November 18, 2014, that authorizes DART’s Senior Lien Sales Tax Revenue Refunding Bonds, Series 2014B.

“Underwriters” – means the person, firm or entity or the group thereof, initially purchasing the Bonds from DART named in a Bond Purchase Agreement.

Section 1.3 Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Resolution or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4 Interpretation. (a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Article and Section references shall mean references to Articles and Sections of this Resolution unless designated otherwise.

(c) If any one or more of the covenants, provisions or agreements contained herein should be contrary to Applicable Law, then such covenants, provisions or agreements shall be deemed separable from the remaining covenants, provisions, and agreements hereof, and shall in no way affect the validity of the remaining covenants, provisions, and agreements contained in this Resolution.

Section 1.5 Declarations and Additional Rights and Limitations Under Master Debt Resolution and Other Documents. (a) For all purposes of the Master Debt Resolution, DART declares and provides as follows:

(i) The Bonds are Bond Obligations that are Additional Senior Lien Obligations that are authorized by Section 3.2 of the Master Debt Resolution.

(ii) Prior to the issuance of the Bonds, DART will meet the Coverage Tests imposed as a precondition to the issuance of Additional Senior Lien Obligations.

(iii) The Bonds are not Interim Obligations.

(iv) Administrative Expenses relating to the Bonds shall include (A) the fees and reasonable expenses owed to the Paying Agent/Registrar, and (B) the amounts, if any, required by Applicable Law to be paid to the United States Internal Revenue Service as rebate of investment earnings on any fund or account subject to rebate under the Code.

(v) The Paying Agent/Registrar is a Paying Agent and Registrar required by the Master Debt Resolution with respect to the Bonds.

(vi) Each registered owner of each Bond according to the Obligation Register relating to such Bond Obligation, is a Holder under the Master Debt Resolution.

(vii) This Resolution is a Supplemental Resolution adopted pursuant to Sections 9.2(a)(v), 9.2(a)(vi) and 9.3 of the Master Debt Resolution.

(viii) Each of the Authorized Officers is designated and appointed as an “officer” of DART for the purposes of administering this Resolution, the Escrow Agreement, the Bond Purchase Agreement and the Master Paying Agent Agreement in accordance with Chapters 1207 and 1371.

(ix) The Stated Maturity Dates and the Mandatory Redemption Dates established in accordance with Articles III and V are Principal Payment Dates for the purposes of the Master Debt Resolution.

(x) The Bonds are “Additional Senior Lien Obligations” under the Master Debt Resolution, secured by an irrevocable, first and senior lien on and pledge of the Pledged Revenues and by money on deposit in the Senior Lien Debt Service Fund that is and will always continue to be on a parity with any previously issued Initial Senior Lien Obligations and all other Additional Senior Lien Obligations that are Outstanding from time to time.

(xi) The Bonds and the Administrative Expenses described in subparagraph (iv) of this Section 1.5(a) are secured solely by the lien on and pledge of Pledged Revenues as Senior Lien Obligations, but, DART may, but is not required to, pay the same from any other legally available funds held by DART, including, without limitation, the proceeds of Obligations and amounts held in the General Operating Fund.

(b) For all purposes of the Outstanding Resolutions, the following additional rights and limitations are granted and imposed:

(i) In addition to its right to amend the Outstanding Resolutions without the consent of or notice to the Holders of Bond Obligations, under Section 9.2 of the Master Debt Resolution, DART shall have the right to amend the Outstanding Resolutions without the consent of or notice to the Holders of the Bonds, under Sections 9.3 or 9.4 of the Master Debt Resolution, if the Bonds are insured and such amendment is approved by the Insurer,

and by all Credit Providers, if any, and each Bondholder Representative, if any, whose consent is required by another Supplemental Resolution. If the Bonds are not insured, DART must obtain the consent of the Holders if otherwise required by Article IX of the Master Debt Resolution. In the event that less than all of the maturities of the Bonds are insured, the Insurer shall be deemed to be the Holder of those Bonds for which the Policy of the Insurer is effective for the purpose of determining whether the requisite percentage of Holders have given their consent, if required, pursuant to Sections 9.3 and 9.4 of the Master Debt Resolution.

(ii) Whenever in this Resolution, the Pricing Certificate or in the Master Debt Resolution, the right is granted to redeem Bonds in advance of a Stated Maturity Date, any such redemption may be accomplished with any lawfully available money. The Bonds may be redeemed according to their respective terms, and pro rata redemptions are not required. All money delivered to the Paying Agent/Registrar for the purpose of paying the principal of and interest on Bonds shall be held uninvested by the Paying Agent/Registrar.

(iii) In the event of the occurrence of an Event of Default, the right of acceleration of the Stated Maturity Date or the Mandatory Redemption Date of any Bond is not granted as a remedy, and the right of acceleration is expressly denied.

(iv) The specific information that must be provided pursuant to the disclosure requirements of the Rule, if applicable, with respect to the Bonds shall be (A) the audited financial statements of DART for each Fiscal Year ending on and after September 30, 2019 and (B) the annual financial and operating data that is set forth in the tables, or incorporated by reference, in the Preliminary Supplemental Official Statement with respect to the Bonds.

ARTICLE II

PURPOSES, PLEDGE AND SECURITY FOR BONDS

Section 2.1 Purposes of Resolution. The purposes of this Resolution are to authorize, subject to the parameters set forth herein, the Authorized Officer to approve the specific terms and provisions of one or more series of Bonds as evidenced by the execution and delivery of one or more Pricing Certificates; to extend expressly the pledge, lien, security, and provisions of the Master Debt Resolution to and for the benefit of the Holders of the Bonds; to provide for certain rights in addition to those provided for in the Master Debt Resolution; and, to the extent determined by an Authorized Officer to be appropriate, to sell the Bonds to the Underwriters pursuant to the Bond Purchase Agreement.

Section 2.2 Pledge of Pledged Revenues. DART hereby irrevocably pledges the Pledged Revenues, including, specifically, the Pledged Farebox Revenues, to the payment of the Bonds herein authorized. The pledge, security, and the filing provisions of Sections 2.3, 2.4 and 2.5 of the Master Debt Resolution are hereby expressly restated, fixed, brought forward and granted to the Holders of the Obligations with respect to the Pledged Revenues.

Section 2.3 Pledge, Security for, Sources of Payment of Bonds. (a) The levy of the Sales Tax, and the pledge of Pledged Revenues, the security, and the filing provisions of Sections

2.2, 2.3, 2.4 and 2.5 of the Master Debt Resolution are hereby expressly restated, fixed, brought forward and granted to the Holders of the Bonds, subject to the terms of such Sections.

(b) The Bonds are “Additional Senior Lien Obligations” under the Master Debt Resolution, secured by an irrevocable, first and senior lien on and pledge of the Pledged Revenues and by money on deposit in the Senior Lien Debt Service Fund that is and will always continue to be (i) on a parity with any previously issued Initial Senior Lien Obligations and all other Additional Senior Lien Obligations that are Outstanding from time to time, as declared and provided in Section 2.3 of the Master Debt Resolution, and (ii) senior to the liens, rights, and pledges heretofore or hereafter granted in favor of the Holders of Subordinate Lien Obligations.

Section 2.4 Covenant Regarding Operating Expenses. DART hereby covenants and agrees that Gross Sales Tax Revenues transferred to the General Operating Fund pursuant to Section 5.3(a)(x) of the Master Debt Resolution shall be used to pay the costs of operating and maintaining the System and other lawful purposes with respect to the System.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS OF THE BONDS; DELEGATION TO AUTHORIZED OFFICERS

Section 3.1 Authorization; Taxable and Tax-Exempt Bonds. (a) Subject to the parameters set forth below and the other provisions hereof, one or more series of Additional Senior Lien Obligations, having the titles and series designations set forth in the Pricing Certificates are hereby authorized to be issued from time to time, in the maximum aggregate principal amount of not to exceed \$810,000,000 (exclusive of premium), for the purposes of (i) refunding all or a portion of the Refunded Obligation Candidates; (ii) paying the Costs of Acquisition and Construction of DART facilities related to the Project; and (iii) paying the costs of issuing the Bonds, in each case to be issued and delivered in accordance with Applicable Law.

(b) The Authorized Officers are authorized and directed to transfer to the Escrow Fund on the Closing Date (a) all amounts held in the Senior Lien Debt Service Fund allocable to Refunded Obligations, and (b) such other moneys in DART’s unencumbered funds and accounts, if any, which together with the deposit of Bond proceeds to the Escrow Fund pursuant to Section 9.1, are sufficient to defease the applicable Refunded Obligations.

(c) Each series of Bonds shall be designated as either Tax-Exempt Bonds or Taxable Bonds by an Authorized Officer as set forth in the Pricing Certificate(s).

Section 3.2 General Terms and Provisions of the Bonds. (a) The Bonds shall be issued in one or more series, in fully registered form without coupons, dated the Dated Date and consisting of Current Interest Bonds and/or Capital Appreciation Bonds, all as set forth in the Pricing Certificate.

(b) The Current Interest Bonds shall be in the aggregate principal amount designated in the Pricing Certificate, shall be in the denomination of \$5,000 principal amount or any integral multiple thereof and shall be numbered separately from one upward, except the Initial Current Interest Bond, which shall be numbered ICI-1.

(c) The Current Interest Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the Pricing Certificate.

(d) Interest shall accrue and be paid on each Current Interest Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of (i) the Dated Date, unless otherwise provided in the Pricing Certificate, or (ii) the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) The Capital Appreciation Bonds shall be in the aggregate original principal amount and aggregate Maturity Amount designated in the Pricing Certificate, shall be in the Maturity Amounts of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward, except the Initial Capital Appreciation Bond, which shall be numbered ICA-1.

(f) The Capital Appreciation Bonds shall be issued in the original principal amounts and shall bear interest at the per annum rates, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Accreted Values thereof), and shall mature on the dates and in the Maturity Amounts set forth in the Pricing Certificate.

(g) Interest shall accrete on each Capital Appreciation Bond from the Closing Date and shall be compounded semiannually as designated in the Pricing Certificate, until Maturity. The accreted interest on each Capital Appreciation Bond shall be payable at Maturity as a portion of the Maturity Amount.

Section 3.3 Delegation to Authorized Officers. (a) As authorized by Chapters 1207 and 1371, the Authorized Officers are each hereby authorized, appointed, and designated as authorized officers who are authorized to act individually on behalf of DART in the selling and delivering of the Bonds and carrying out the other procedures specified in this Resolution, including the determination of the price at which each of the Bonds will be sold pursuant to a Bond Purchase Agreement, the Underwriters' fee (or discount), the form in which the Bonds shall be issued, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of the Refunded Obligations, the selection of the Refunded Obligations from the Refunded Obligation Candidates, the aggregate principal amount of the Bonds, the series designation for the Bonds and any additional or different designation or title by which the Bonds of each series shall be known, the aggregate principal amount of Bonds allocated to refunding and the aggregate principal amount allocated to Acquisition and Construction, the rate of interest to be borne by each maturity, the designation of Tax-Exempt Bonds or Taxable Bonds, respectively, the date, prices and terms upon and at which the Bonds shall be subject to redemption at the option of DART and shall be subject to mandatory sinking fund redemption, and all other matters relating to the issuance, sale, and delivery of the Bonds, including the refunding of the Refunded Obligations, all of which shall be specified in each respective Pricing Certificate; provided, however, that such Additional Senior Lien Bonds are subject to the following:

Maximum Par Amount (which includes the Original Principal Amount of any Capital Appreciation Bonds)	\$810 Million
Maximum Coupon Rate (or Yield to Maturity with respect to Capital Appreciation Bonds)	5.0%
Maximum Interest Rate (True Interest Cost–TIC)	5.0%
Maximum Underwriters Discount	0.5%
Maximum Maturity Date	12/01/2061

(b) The authority granted under this Resolution to the Authorized Officer shall be in effect for a twelve month period from adoption of this Resolution and, in the event the authority is not exercised in such twelve month period, the authority delegated hereunder shall automatically expire.

Section 3.4 Execution of Bond Purchase Agreement. The Authorized Officer is authorized to enter into and carry out one or more Bond Purchase Agreements, with the terms specified in a Pricing Certificate, and other matters including representations, warranties and covenants of DART, as shall be determined by the Authorized Officer and set forth therein.

(a) The Authorized Officer is authorized to provide for a Policy, if any, with respect to the Bonds. The Authorized Officer shall specify the name of the Insurer in the Pricing Certificate and shall specify therein which maturity or maturities, if any, will be insured. Any Authorized Officer is authorized to execute any instruments requested by an Insurer in connection with the provision of insurance and to pay any insurance premiums required in connection with such insurance.

(b) The Bonds (i) may be redeemed prior to their respective Stated Maturity Dates as provided for in a Pricing Certificate, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics set forth herein, and (v) shall be signed, and the principal of and interest on the Current Interest Bonds and the Maturity Amount on the Capital Appreciation Bonds shall be payable, all as provided, and in the manner required or indicated in this Resolution and as determined by the Authorized Officer in the Pricing Certificate, as provided herein, with such changes and additions otherwise consistent with this Resolution as are required to meet the terms of the Pricing Certificate and the Bond Purchase Agreement.

Section 3.5 Medium, Method and Place of Payment. (a) The principal of, premium, if any, and interest on the Current Interest Bonds and the Maturity Amount of the Capital Appreciation Bonds shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Current Interest Bonds shall be payable to the Holders whose names appear in the Obligation Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the Board. Notice of the Special Record Date and of the scheduled payment

date of the past due interest (the "Special Payment Date," which shall be at least 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Current Interest Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on each Current Interest Bond shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the Holder entitled to such payment, United States mail, first class postage prepaid, to the address of the Holder as it appears in the Obligation Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Current Interest Bond and the Maturity Amount of each Capital Appreciation Bond shall be paid to the Holder on the due date thereof (whether at the Stated Maturity Date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If a date for the payment of the principal of or interest on the Current Interest Bonds or the Maturity Amount with respect to the Capital Appreciation Bonds is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Subject to any applicable escheat, unclaimed property, or similar provisions of Applicable Law, unclaimed payments remaining unclaimed by the Holders entitled thereto for three years after the applicable payment or redemption date shall be paid to DART and thereafter neither DART, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds.

(g) Notwithstanding any other provision of this Resolution, during any period in which the Bonds are held in book-entry-only form by DTC in accordance with Section 3.11 hereof, payment of the principal, together with any premium, and interest on the Current Interest Bonds and the Maturity Amount of the Capital Appreciation Bonds, shall be paid to DTC in immediately available or next day funds on each Interest Payment Date in the manner specified in the Operational Procedures of DTC.

Section 3.6 Ownership. (a) The Board, the Paying Agent/Registrar and any other person may treat each Holder of each Bond as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, and the Maturity Amount thereon, and for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to each Holder on the Record Date), and for all other purposes, whether or not such Bond is overdue, and neither the Board nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Holder of a Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of DART and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.7 Ownership, Registration, Transfer and Exchange. (a) So long as any Bonds remain Outstanding, the Board shall cause the Paying Agent/Registrar to keep an Obligation Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Resolution.

(b) Ownership of any Bond may be transferred in the Obligation Register only upon the presentation and surrender thereof at the Paying Agent's Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Obligation Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in conversion and exchange for such transferred and assigned Bond. To the extent possible the Paying Agent/Registrar will issue such new Bond or Bonds in not more than three Business Days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be converted and exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar together with a written request therefor duly executed by the Holder or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate (with respect to Current Interest Bonds) or Maturity Amount (with respect to Capital Appreciation Bonds) and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount with respect to Current Interest Bonds or the same Maturity Amount with respect to Capital Appreciation Bonds presented for exchange. If a portion of any Bond is redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate with respect to Current Interest Bonds or the same Maturity Amount with respect to Capital Appreciation Bonds, in the denomination or denominations of any integral multiple of \$5,000 at the request of the Holder, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds shall be delivered by the Paying Agent/Registrar to the Holder of the Bond or Bonds in not more than three Business Days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned or transferred shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange the Bonds as

provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original contractual obligation of DART and shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such substitute Bond is delivered.

(e) The Board will pay, as Administrative Expenses, the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Bonds, but the Paying Agent/Registrar will require the Holder to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. In addition, DART hereby covenants with the Holders of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration, conversion and exchange of Bonds as provided herein.

(f) Neither the Board nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within 45 calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Holder of the uncalled principal balance of a Bond.

Section 3.8 Cancellation and Authentication. All Bonds paid or redeemed before their Stated Maturity Dates in accordance with this Resolution, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Resolution, shall be canceled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the canceled Bonds in accordance with Applicable Law.

Section 3.9 Temporary Bonds. (a) Following the delivery and registration of the Initial Bonds and pending the preparation of definitive Bonds, the Authorized Officers may execute and, upon request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the Authorized Officers executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Resolution.

(c) DART, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and

in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Holder.

Section 3.10 Replacement Bonds. (a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount (with respect to the Current Interest Bonds) or Maturity Amount (with respect to the Capital Appreciation Bonds), bearing a number not contemporaneously outstanding. DART or the Paying Agent/Registrar may require the Holder of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to Chapter 1201, Texas Government Code, as amended, and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Holder first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and DART to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by DART and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, DART and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by DART or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond.

(e) Each replacement Bond delivered in accordance with this Section (but subject to the limitations contained in this Section) shall constitute an original contractual obligation of DART and shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11 Book-Entry Only System. (a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity. Upon initial issuance and the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.12, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, DART and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Resolution. Without limiting the immediately preceding sentence, DART and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Holder, as shown on the Obligation Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Holder, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, DART and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Obligation Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Holders, as shown in the Obligation Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge DART's obligations with respect to payment of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Holder, as shown in the Obligation Register, shall receive a certificate evidencing the obligation of DART to make payments of amounts due pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the Holder at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(c) The Representation Letter previously executed and delivered by DART applicable to DART's obligations delivered in book-entry form to DTC as securities depository for said obligations is hereby ratified and approved for the Bonds.

Section 3.12 Successor Securities Depository. In the event that DART or the Paying Agent/Registrar determine that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, DART or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC,

of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Obligation Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Holders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

Section 3.13 Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Current Interest Bonds and the Maturity Amount on such Capital Appreciation Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

RESERVED

ARTICLE V

REDEMPTION OF BONDS BEFORE MATURITY

Section 5.1 Limitation on Redemption. The Bonds sold pursuant to a Bond Purchase Agreement shall be subject to redemption before scheduled maturity only as provided in this Article V and the Pricing Certificate.

Section 5.2 Optional Redemption. (a) The Authorized Officer shall specify in the Pricing Certificate the optional redemption provisions (including, without limitation, extraordinary and make-whole optional redemption provisions), if any, applicable to the Bonds.

(b) If less than all of the Bonds are to be redeemed pursuant to subsection (a) above, DART shall have the right to determine the series and maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to select the Bonds of a particular series and maturity for redemption in accordance with the procedures set forth in the Pricing Certificate.

Section 5.3 Mandatory Redemption of Certain Bonds. (a) The Authorized Officer shall specify in the Pricing Certificate the mandatory redemption provisions, if any, applicable to the Bonds.

(b) The principal amount of Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of DART, by the principal amount of any Bonds having the same maturity which, at least 45 days prior to the mandatory sinking fund redemption date, (i) shall have been acquired by DART at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 5.4 Redemption Procedures. (a) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount in the case of Current Interest Bonds, or in a Maturity Amount in the case of Capital Appreciation Bonds, equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(b) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.6 of this Resolution, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount or Maturity Amount, as applicable, equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

(c) The Paying Agent/Registrar shall promptly notify DART in writing of the principal amount or Maturity Amount, as applicable, to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 5.5 Notice of Redemption to Holders. (a) DART, at least 45 days before a redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount or Maturity Amount of Bonds to be redeemed.

(b) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Holder of each Bond (or part thereof) to be redeemed, at the address shown on the Obligation Register.

(c) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(d) DART reserves the right to give notice of its election or direction to redeem Bonds under Section 5.2 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that DART retains the right to rescind such notice at any time prior to the scheduled redemption date if DART delivers a certificate of DART to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Holders. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of DART to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an Event of Default.

(e) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. Failure to give notice of redemption to any Holder of Bonds, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds for which notice was properly given.

Section 5.6 Payment Upon Redemption. (a) Before or on each redemption date, the Board shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from DART and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 5.7 Effect of Redemption. (a) Notice of redemption having been given as provided in Section 5.5 of this Resolution and subject to any conditions or rights reserved by DART under Section 5.5(d), the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless DART fails in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, or in the case of Capital Appreciation, the Maturity Amount thereof, on the date fixed for redemption, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If DART shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by DART.

ARTICLE VI

PAYING AGENT/REGISTRAR

Section 6.1 Appointment of Initial Paying Agent/Registrar. (a) By separate action heretofore taken, DART has designated and appointed the initial Paying Agent/Registrar for the Bonds, under and subject to the terms and provisions of the Master Debt Resolution, this Resolution and the Master Paying Agent Agreement previously executed.

(b) The Chairman of the Board and any other Authorized Officer are each hereby authorized to approve and execute such supplements, amendments and modifications to the Master Paying Agent Agreement that such officer finds and determines are necessary and appropriate and in the best interests of DART to fulfill the purposes of this Resolution.

Section 6.2 Qualifications. The Paying Agent/Registrar shall be a commercial bank, a trust company organized under applicable laws, or any other entity duly qualified and legally

authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 6.3 Maintaining Paying Agent/Registrar. (a) At all times while any Bonds are Outstanding, DART will maintain a Paying Agent/Registrar that is qualified under Section 6.2 of this Resolution.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Board will promptly appoint a replacement.

Section 6.4 Termination. DART, upon not less than 60 days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 6.5 Notice of Change. Promptly upon each change in the entity serving as Paying Agent/Registrar, DART will cause notice of the change to be sent to each Holder and the Insurer, if any, by first class United States mail, postage prepaid, at the address in the Obligation Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 6.6 Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar acknowledges receipt of copies of the Master Debt Resolution and this Resolution, and is deemed to have agreed to the provisions of thereof, and to perform the duties and functions of Paying Agent/Registrar prescribed therein and herein.

Section 6.7 Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Obligation Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VII

FORM OF THE BONDS

Section 7.1 Form Generally. (a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be generally in the preliminary form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and the Pricing Certificate, and substantially as set forth in the Pricing Certificate and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by DART.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The Bonds, including the Initial Bond submitted to the Attorney General of Texas and any temporary Bonds, shall be typed, printed, lithographed, photocopied or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

Section 7.2 Form of Bonds. The preliminary form of Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State, the form of Certificate of the Paying Agent/Registrar, and the form of Assignment appearing on the Bonds, if applicable, shall be generally as follows, and the substantially final form shall be as set forth in the Pricing Certificate.

(a) [Form of Capital Appreciation Bonds]

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas
DALLAS AREA RAPID TRANSIT
SENIOR LIEN SALES TAX REVENUE BONDS
SERIES _____

CAPITAL APPRECIATION BOND

<u>YIELD TO MATURITY</u>	<u>ORIGINAL PRINCIPAL AMOUNT</u>	<u>MATURITY DATE</u>	<u>CLOSING DATE</u>	<u>CUSIP NO.</u>
_____ %	\$ _____	_____	_____	_____

Dallas Area Rapid Transit ("DART"), a regional transportation authority, public body corporate and politic of the State of Texas, for value received, hereby promises to pay to

or registered assigns, on the Maturity Date specified above, the Maturity Amount of this Bond, being the sum of

_____ DOLLARS

The Maturity Amount represents the total of the Original Principal Amount hereof, plus the initial premium paid hereon, together with interest thereon to the Maturity Date. Interest accretes from the Closing Date specified above, and will compound semiannually on _____¹ and _____² in each year, commencing _____³. A table of the "Accreted Values" per \$5,000 Maturity Amount is printed on or attached to this Bond. The term "Accreted Value," as used herein, means the original principal amount of this Bond plus the initial premium, if any, paid therefor with interest thereon accreted and compounded semiannually to the _____⁴ or _____⁵ next preceding the date of such calculation (or, the date of calculation, if such calculation is made on _____⁶ or _____⁷) at a compounding

¹ Insert from Pricing Certificate.

² Insert from Pricing Certificate.

³ Insert from Pricing Certificate.

⁴ Insert from Pricing Certificate.

⁵ Insert from Pricing Certificate.

⁶ Insert from Pricing Certificate.

⁷ Insert from Pricing Certificate.

rate which produces the approximate yield to maturity set forth above. For any date other than a _____⁸ or _____⁹, the Accreted Value of this Bond shall be determined by a straight line interpolation between the values for the applicable semiannual compounding dates, based on 30 day months.

The Maturity Amount of this Bond shall be payable on the Maturity Date shown above, without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in _____¹⁰, Texas, or at such other location designated by the Paying Agent/Registrar (the "Designated Payment/Transfer Office"), of the _____¹¹, the initial Paying Agent/Registrar, or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor.

If the date for the payment of the Maturity Amount on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the Maturity Date.

This Bond is one of a series of fully registered bonds specified in the title hereof, issued in the aggregate principal amount of \$_____, pursuant to the "Master Debt Resolution," as defined in the Revised Sixteenth Supplemental Debt Resolution adopted on _____, 2019, by the Board of Directors of DART (the "Revised Sixteenth Supplemental Resolution") and a pricing certificate (the "Pricing Certificate") executed pursuant to the authority delegated in the Revised Sixteenth Supplemental Resolution. The Master Debt Resolution, the Revised Sixteenth Supplemental Resolution and the Pricing Certificate are herein collectively referred to as the "Resolutions." This Bond is one of the series of Additional Senior Lien Obligations authorized by the Resolutions and is subject to the terms and provisions thereof. The Resolutions and their respective terms and provisions are incorporated herein for all purposes.

The Bonds are issued by DART for the purposes of (i) refunding a portion of DART's outstanding Refunded Obligations as set forth in the Pricing Certificate, (ii) paying the Costs of Acquisition and Construction DART facilities related to the Project, and (iii) paying all or a portion of the costs of issuance of the Bonds.

The Bonds and the interest thereon are payable from, and are secured by a superior, senior, and first lien on and pledge of the Pledged Revenues and the Pledged Funds.

The lien on and pledge of the Pledged Revenues created and granted in the Resolutions in favor of the Bonds is on a parity with the lien and pledge thereof granted by DART in favor of the Holders of any Initial Senior Lien Obligations and any Additional Senior Lien Obligations that may be issued or executed pursuant to the Master Debt Resolution, as defined and permitted

⁸ Insert from Pricing Certificate.

⁹ Insert from Pricing Certificate.

¹⁰ Insert from Pricing Certificate.

¹¹ Insert from Pricing Certificate.

therein. DART has reserved the right in the Resolutions to issue or execute Additional Senior Lien Obligations that, after issuance, may be secured by liens on and pledges of the Pledged Revenues on a parity with the lien thereon in favor of the Bonds.

DART has also reserved the right in the Resolutions to issue and execute Subordinate Lien Obligations, provided the lien and pledge securing the same are expressly made junior and subordinate to the pledge and lien securing the Senior Lien Obligations.

All covenants requiring DART to pay principal and interest or other payments on Senior Lien Obligations and Subordinate Lien Obligations, as defined in the Resolutions, shall be payable and collectible solely from the revenues and funds expressly pledged thereto by the Resolutions or by a Supplemental Resolution; and each and every Holder shall by his acceptance of this Bond consent and agree that no claim, demand, suit, or judgment for the payment of money shall ever be asserted, filed, obtained or enforced against DART from sources other than the funds and revenues pledged thereto. The Holders hereof shall never have the right to demand payment of this obligation out of any Special Revenues or from any funds raised or to be raised by ad valorem taxation.

All covenants requiring DART to pay principal and interest or other payments on Senior Lien Obligations and Subordinate Lien Obligations, as defined in the Resolutions, shall be payable and collectible solely from the revenues and funds expressly pledged thereto by the Resolutions or by a Supplemental Resolution; and each and every Holder shall by his acceptance of this Bond consent and agree that no claim, demand, suit, or judgment for the payment of money shall ever be asserted, filed, obtained or enforced against DART from sources other than the funds and revenues pledged thereto. The Holders hereof shall never have the right to demand payment of this obligation out of any Special Revenues or from any funds raised or to be raised by ad valorem taxation.

DART has reserved the right and option to redeem the Bonds maturing on and after December 1, ____, in whole or part, in principal amounts equal to \$5,000 or any integral multiple thereof, before their respective maturity dates, on December 1, ____, or on any date thereafter, at a price equal to the principal amount thereof, plus interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed pursuant to this redemption provision, DART shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.¹²

The Bonds maturing December 1, ____, shall be redeemed prior to stated maturity in part by lot on December 1 in the principal amounts and in each of the years set forth in the Pricing Certificate from moneys required to be deposited to the credit of the Senior Lien Debt Service Fund in the principal amount thereof and accrued interest to date of redemption, without premium. Such required sinking fund installments as to each maturity are set forth in the Pricing Certificate.¹³

The Paying Agent/Registrar will select by lot the Bonds (or with respect to Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory

¹² All of the provisions set forth herein may be altered to reflect the provisions set forth in the Pricing Certificate.

¹³ All of the provisions set forth herein may be altered to reflect the provisions set forth in the Pricing Certificate.

redemption. The principal amount of Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of DART, by the principal amount of any Bonds having the same maturity which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by DART at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.¹⁴

Notice of such redemption shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.¹⁵

DART reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that DART retains the right to rescind such notice at any time on or prior to the scheduled redemption date if DART delivers a certificate of DART to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of DART to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.¹⁶

As provided in the Resolutions, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same Maturity Date, of authorized denominations, and having the same Maturity Amount, will be issued to the designated transferee or transferees.

Neither DART nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45

¹⁴ All of the provisions set forth herein may be altered to reflect the provisions set forth in the Pricing Certificate.

¹⁵ All of the provisions set forth herein may be altered to reflect the provisions set forth in the Pricing Certificate.

¹⁶ All of the provisions set forth herein may be altered to reflect the provisions set forth in the Pricing Certificate.

calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

DART, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and neither DART nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law.

IN WITNESS WHEREOF, the Board of Directors of DART has caused the facsimile seal of DART to be placed hereon and this Bond to be signed by the facsimile signature of its Chairman and countersigned by the facsimile signatures of its President/Executive Director and Secretary.

COUNTERSIGNED

President/Executive Director
Dallas Area Rapid Transit

Chair, Board of Directors,
Dallas Area Rapid Transit

Secretary, Board of Directors
Dallas Area Rapid Transit
[SEAL]

[Form of Certificate of Paying Agent/Registrar]

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Capital Appreciation Bonds referred to in the within mentioned Resolutions. The series of Bonds of which this Bond is a part was originally issued as one Initial Capital Appreciation Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

_____ as Paying Agent/Registrar

By: _____

Dated: _____

[Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

 (Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By: _____

Authorized Signatory _____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar

Dated: _____

Initial Capital Appreciation Bond Insertions.

(i) The Initial Capital Appreciation Bond for each series shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Bonds, the heading "YIELD TO MATURITY," "ORIGINAL PRINCIPAL AMOUNT" and "MATURITY DATE" shall be completed with the words "As Shown Below" and the heading "CUSIP No. ____" deleted; and

(B) in the first paragraph:

the words “on the Maturity Date, as specified above” shall be deleted and the following will be inserted:

“on December 1 in the years set forth in the following schedule:

<u>Maturity Date</u>	<u>Maturity Amount</u>
----------------------	------------------------

(Information to be inserted in accordance with Section 3.2(a) and (b) hereof and the Pricing Certificate)”; and

(C) the Initial Bond for each series shall be numbered ICA-1; and

(ii) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond in lieu of the Certificate of the Paying Agent/Registrar:

[Form of Comptroller's Registration Certificate]

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
OF THE STATE OF TEXAS	§	

I hereby certify that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my hand and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(b) [Form of Current Interest Bond]

REGISTERED
NO. _____REGISTERED
\$ _____

United States of America
State of Texas
DALLAS AREA RAPID TRANSIT
SENIOR LIEN SALES TAX REVENUE BONDS
SERIES _____

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP NO.:
 _____ % December 1, _____ _____ _____

Dallas Area Rapid Transit ("DART"), a regional transportation authority, public body corporate and politic of the State of Texas, for value received, hereby promises to pay to

_____ or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Dated Date, as specified above, or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on June 1 and December 1 of each year, commencing _____.

Capitalized terms appearing herein that are defined terms in the Resolutions defined below, have the meanings assigned to them in the Resolutions. Reference is made to the Resolutions for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Houston, Texas (the "Designated Payment/Transfer Office"), of _____ or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is

registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a series of fully registered bonds specified in the title hereof, issued in the aggregate principal amount of \$_____, pursuant to the "Master Debt Resolution," as defined in the Revised Sixteenth Supplemental Debt Resolution adopted on _____, 2019, by the Board of Directors of DART (the "Revised Sixteenth Supplemental Resolution") and a pricing certificate (the "Pricing Certificate") executed pursuant to the authority delegated in the Revised Sixteenth Supplemental Resolution. The Master Debt Resolution, the Revised Sixteenth Supplemental Resolution and the Pricing Certificate are herein collectively referred to as the "Resolutions." This Bond is one of the series of Additional Senior Lien Obligations authorized by the Resolutions and is subject to the terms and provisions thereof. The Resolutions and their respective terms and provisions are incorporated herein for all purposes.

The Bonds are issued by DART for the purposes of (i) refunding a portion of DART's outstanding Refunded Obligations as set forth in the Pricing Certificate, (ii) paying the Costs of Acquisition and Construction DART facilities related to the Project, and (iii) paying all or a portion of the costs of issuance of the Bonds.

The Bonds and the interest thereon are payable from, and are secured by a superior, senior, and first lien on and pledge of the Pledged Revenues and the Pledged Funds.

The lien on and pledge of the Pledged Revenues created and granted in the Resolutions in favor of the Bonds is on a parity with the lien and pledge thereof granted by DART in favor of the Holders of any Initial Senior Lien Obligations and any Additional Senior Lien Obligations that may be issued or executed pursuant to the Master Debt Resolution, as defined and permitted therein. DART has reserved the right in the Resolutions to issue or execute Additional Senior Lien Obligations that, after issuance, may be secured by liens on and pledges of the Pledged Revenues on a parity with the lien thereon in favor of the Bonds.

DART has also reserved the right in the Resolutions to issue and execute Subordinate Lien Obligations, provided the lien and pledge securing the same are expressly made junior and subordinate to the pledge and lien securing the Senior Lien Obligations.

All covenants requiring DART to pay principal and interest or other payments on Senior Lien Obligations and Subordinate Lien Obligations, as defined in the Resolutions, shall be payable and collectible solely from the revenues and funds expressly pledged thereto by the Resolutions or by a Supplemental Resolution; and each and every Holder shall by his acceptance of this Bond consent and agree that no claim, demand, suit, or judgment for the payment of money shall ever be asserted, filed, obtained or enforced against DART from sources other than the funds and revenues pledged thereto. The Holders hereof shall never have the right to demand payment of this obligation out of any Special Revenues or from any funds raised or to be raised by ad valorem taxation.

DART has reserved the right and option to redeem the Bonds maturing on and after December 1, ____, in whole or part, in principal amounts equal to \$5,000 or any integral multiple thereof, before their respective maturity dates, on December 1, ____, or on any date thereafter, at a price equal to the principal amount thereof, plus interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed pursuant to this redemption provision, DART shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

The Bonds maturing December 1, ____, shall be redeemed prior to stated maturity in part by lot on December 1 in the principal amounts and in each of the years set forth in the Pricing Certificate from moneys required to be deposited to the credit of the Senior Lien Debt Service Fund in the principal amount thereof and accrued interest to date of redemption, without premium. Such required sinking fund installments as to each maturity are set forth in the Pricing Certificate.

The Paying Agent/Registrar will select by lot the Bonds (or with respect to Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of DART, by the principal amount of any Bonds having the same maturity which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by DART at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of such redemption shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

DART reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized

securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that DART retains the right to rescind such notice at any time on or prior to the scheduled redemption date if DART delivers a certificate of DART to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of DART to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Resolutions, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither DART nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

DART, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither DART nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law.

IN WITNESS WHEREOF, the Board of Directors of DART has caused the facsimile seal of DART to be placed hereon and this Bond to be signed by the facsimile signature of its Chairman and countersigned by the facsimile signatures of its President/Executive Director and Secretary.

COUNTERSIGNED

President/Executive Director
Dallas Area Rapid Transit

Chair, Board of Directors,
Dallas Area Rapid Transit

Secretary, Board of Directors
Dallas Area Rapid Transit

[SEAL]

[Form of Certificate of Paying Agent/Registrar]

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Bonds referred to in the within mentioned Resolutions. The series of Bonds of which this Bond is a part was originally issued as one Initial Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

as Paying Agent/Registrar

Dated: _____

By: _____

[Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By: _____

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar

Dated: _____

Initial Bond Insertions for Current Interest Bonds.

(i) The Initial Bond for each series shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Bonds, the heading "DATED DATE:" shall be completed with the date set forth in the Pricing Certificate; and

(B) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and the words "CUSIP NO. ____" shall be deleted; and

(C) in the first paragraph:

the words "on the Maturity Date, as specified above" shall be deleted and the following will be inserted:

“on December 1 in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
(Information to be inserted in accordance with Section 3.2(a) and (b) hereof and the Pricing Certificate)”; and		

(D) the Initial Bond for each series shall be numbered ICI-1; and

(ii) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond in lieu of the Certificate of the Paying Agent/Registrar:

[Form of Comptroller’s Registration Certificate]

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
OF THE STATE OF TEXAS	§	

I hereby certify that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my hand and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

Section 7.3 CUSIP Registration. DART may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor’s Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither DART, the Board, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 7.4 Legal Opinion. The approving legal opinion of Bond Counsel shall be delivered to the Paying Agent/Registrar and the delivery thereof shall be acknowledged by the Paying Agent/Registrar on behalf of the Holders of the Bonds.

Section 7.5 Security Agreement, Filings. (a) A certified copy of this Resolution shall be delivered to the Trustee and the Paying Agent/Registrar, and the same shall constitute a security agreement pursuant to and for all purposes of Applicable Law, with the Holders of the Bonds as the secured parties to the extent stated herein and in the Outstanding Resolutions. The grants, assignments, liens, pledges and security interests created herein shall become effective

immediately upon and from the time of payment for and delivery of the Bonds, and the same shall be continuously effective for so long as any Bonds are Outstanding.

(b) Such grants, assignments, liens, pledges and security interests shall be fully effective with respect to the Holders of the Bonds as to Pledged Revenues on hand and hereafter received, and all Pledged Revenues and such receipts shall be subject thereto whether or not they are actually and physically delivered to or received by the Trustee or the Paying Agent/Registrar as and to the extent required by this Resolution.

(c) A fully executed copy of this Resolution, the Pricing Certificate and the Master Debt Resolution shall be kept at all times, and shall be filed and recorded as a security agreement, among the permanent records of DART. Such records shall be open for inspection to any member of the general public and to any individual, firm, corporation, governmental entity or other person proposing to do or doing business with, or having or asserting claims against DART, at all times during regular business hours.

(d) The provisions and filings required by subsections (a), (b) and (c) of this Section are included, provided, required and made herein pursuant to the requirements of, and with the effect stated in Applicable Law. Should any Applicable Law, in the opinion of counsel to DART, ever require filings additional to the filing required by subsection (c) in order to preserve and protect the priority of the grants, assignments, lien, pledge and security interest created herein as to all of the Bonds, then DART shall diligently and regularly make such filings to the extent required by Applicable Law to accomplish such result.

Section 7.6 Statement of Insurance. A statement relating to the Policy, if any, to be issued for any Bond may be printed on or attached to such Bond.

ARTICLE VIII

EXECUTION, APPROVAL, REGISTRATION, SALE AND DELIVERY OF BONDS AND RELATED DOCUMENTS

Section 8.1 Method of Execution, Delivery of Bonds. (a) Each of the Bonds shall be signed and executed on behalf of DART by the manual or facsimile signature of the Chairman of its Board and countersigned by the manual or facsimile signatures of its President/Executive Director and Secretary, and the corporate seal of DART shall be impressed, printed, lithographed or otherwise reproduced or placed on each Bond. All manual or facsimile signatures placed upon the Bonds shall have the same effect as if manually placed thereon, all to be done in accordance with Applicable Law.

(b) In the event any signing officer of DART is absent or otherwise unable to execute any document or take any action authorized herein, the Vice Chairman of the Board, the Assistant Secretary of the Board, and any other Authorized Officer, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by such persons shall, for the purposes of this Resolution, have the same force and effect as if such duties were performed by the Chairman, Secretary, and President/Executive Director, respectively.

(c) On the Closing Date, an "Initial Bond" for each series representing the entire principal amount of such series of Bonds, payable in stated installments to the Underwriters for such series or their designee, executed by manual or facsimile signatures of the Chairman of the Board and the President/Executive Director of DART and countersigned by the Secretary of the Board, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the Underwriters or their designee. The Initial Bond shall be registered in the name specified in the Bond Purchase Agreement. Upon payment of the purchase price for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the Underwriters registered definitive Bonds as described in Section 3.7(c).

(d) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Resolution, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Resolution, manually executed by the Comptroller of Public Accounts of the State of Texas or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State and that it is a valid and binding obligation of DART, and has been registered by the Comptroller.

Section 8.2 Approval and Registration. The Authorized Officers are authorized to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Authorized Officers are hereby authorized and instructed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Bonds or the Initial Bond to the Attorney General of the State of Texas and to assure the investigation, examination and approval thereof by the Attorney General and their registration by the Comptroller of Public Accounts. Upon registration of the Bonds, the Comptroller of Public Accounts (or a deputy designated in writing to act for her) shall manually sign the Comptroller's Registration Certificate accompanying the Bonds and the seal of the Comptroller shall be impressed, or placed in facsimile, on such certificate. The Authorized Officers shall be further authorized to make such agreements and arrangements with the Underwriters of the Bonds, and with the Paying Agent/Registrar as may be necessary to assure that the Bonds will be delivered to such Underwriters in accordance with the terms of sale.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1 Deposit and Uses of Bond Proceeds. The proceeds received from the sale of the Bonds shall be used, as provided in the Pricing Certificate, to pay all or a portion of the costs of issuance for the Bonds, to provide for the refunding of the Refunded Obligations and to pay the Costs of Acquisition and Construction of DART facilities related to the Project.

Section 9.2 Payment of the Bonds. The Paying Agent/Registrar shall calculate and furnish calculations of Accrued Aggregate Debt Service for the Bonds upon request of the Trustee as provided in Section 5.3(c) of the Master Debt Resolution. While any of the Bonds are outstanding and unpaid, the Trustee shall deposit Pledged Revenues to the Senior Lien Debt Service Fund at the times and in the amounts required by the Master Debt Resolution and this Resolution and shall make available to the Paying Agent/Registrar, out of the Senior Lien Debt Service Fund, the amounts and at the times required by this Resolution required to pay all amounts due and payable on the Bonds when and as due and payable.

Section 9.3 Representations and Covenants. (a) DART will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Outstanding Resolutions, this Resolution and the Bond Purchase Agreement; and DART will promptly pay or cause to be paid from Pledged Revenues and the Senior Lien Debt Service Fund the principal of, interest on, and premium, if any, with respect to, each Bond on the dates and at the places and manner prescribed in each Bond.

(b) DART is duly authorized by Applicable Law to issue the Bonds; all action on its part required by Applicable Law for the issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Holders of the Bonds are and will be valid and enforceable special obligations of DART in accordance with their terms.

(c) The Board, the officers, employees and agents are hereby directed to observe, comply with and carry out the terms and provisions of the Master Debt Resolution and this Resolution.

Section 9.4 Tax Covenants. The following representations, agreements and covenants shall be applicable to any series of Bonds issued hereunder that have been designated as being Tax-Exempt Bonds and with respect to which Bond Counsel has rendered an opinion that the interest on such Bonds is exempt from federal income tax:

(a) DART intends that the interest on the Bonds shall be excludable from gross income for purposes of federal income taxation pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Income Tax Regulations promulgated thereunder (the "Regulations"). DART covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in the gross income, as defined in section 61 of the Code, of the Holders thereof for purposes of federal income taxation. In particular, DART covenants and agrees to comply with each requirement of this Section 9.4; provided, however, that DART shall not be required to comply with any particular requirement of this Section 9.4 if DART has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or if DART has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 9.4 will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 9.4.

(b) DART covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds (including property financed with proceeds of the Refunded Obligations), and take such other and further action as may be required so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code and the Regulations promulgated thereunder. Moreover, DART shall certify, through an Authorized Officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the applicable Refunded Obligations have not been and the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “private activity bonds” within the meaning of section 141 of the Code and the Regulations promulgated thereunder.

(c) DART represents, covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the Regulations.

(d) DART represents, covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the applicable Refunded Obligations to be “hedge bonds” within the meaning of section 149(g) of the Code and the Regulations.

(e) DART shall certify, through an Authorized Representative, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, DART will reasonably expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations. Moreover, DART covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations.

(f) If DART does not qualify for an exception to the requirements of section 148(f) of the Code, DART will take all necessary steps to comply with the requirement that certain amounts earned by DART on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, DART will (i) maintain records regarding the investment of the gross proceeds of each issue of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of DART allocable to other debt securities issued by DART or moneys which do not represent gross proceeds of any debt securities of DART, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of each issue of the Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of each issue of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, DART will not indirectly pay any amount otherwise payable to the federal government pursuant to the

foregoing requirements to any Person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) DART covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning each issue of the Bonds, all under and in accordance with section 149(e) of the Code and the Regulations.

(h) DART hereby creates a Rebate Fund with respect to each series of bonds authorized and issued hereunder. All money at any time deposited in the Rebate Fund in accordance with the provisions of the Federal Tax Certificate shall be held by DART as a separate special account or fund in trust for payment to the United States of America, and neither DART, nor any Holder, shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Resolution and by the Federal Tax Certificate. Money shall not be transferred from the Rebate Fund except in accordance with the Federal Tax Certificate. Any amounts remaining in the Rebate Fund and not necessary for the payment of amounts to the United States of America in accordance with the Federal Tax Certificate shall be transferred, in accordance with instructions from an Authorized Officer, to the System Expansion and Acquisition Fund and/or to the Debt Service Fund.

(i) Notwithstanding any other provision of this Resolution, DART's obligations under the covenants and provisions of this Section 9.4 shall survive defeasance and discharge of the Bonds.

(j) DART will retain all pertinent and material records relating to the use and expenditure of the proceeds of each issue of the Bonds until six years after the last Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of DART to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

(k) DART understands that the term "proceeds" includes "disposition proceeds" as defined in the regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Tax-Exempt Bonds. It is the understanding of DART that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify, or expand provisions of the Code, as applicable to the Bonds, DART will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of Bond Counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or

rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, DART agrees to comply with the additional requirements to the extent necessary, in the opinion of Bond Counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, DART hereby authorizes and directs an Authorized Officer to execute any documents, certificates or reports required by the Code, and to make such elections on behalf of DART which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

Section 9.5 Payment of Certain Costs. An Authorized Officer is authorized to incur underwriting, legal, financial advisory and other costs, in addition to costs of issuance customarily incurred and paid from bond proceeds at the time of delivery, in connection with the issuance of debt related to the Project that may be paid prior to issuance.

ARTICLE X

PAYMENT AND REDEMPTION OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AGREEMENT; PURCHASE OF ESCROWED SECURITIES

Section 10.1 Redemption of Refunded Obligations.

(a) DART hereby calls for redemption prior to maturity the Refunded Obligations identified in the Pricing Certificate for redemption prior to maturity on the dates and at the prices set forth in the Pricing Certificate.

(b) The Authorized Officer is hereby authorized and directed to cause a copy of this Resolution to be delivered to the paying agent/registrars for the Refunded Obligations, the delivery of which shall constitute notice of redemption and notice of defeasance to such paying agent/registrars.

Section 10.2 Subscription of Escrowed Securities. The Authorized Officer is hereby authorized to make necessary arrangements for the purchase of the "Escrowed Securities," as referenced and defined in the Escrow Agreement, as may be necessary for the Escrow Fund, and the application for the acquisition of the Escrowed Securities is hereby approved and ratified. Money in the Escrow Fund shall be invested as provided in the Escrow Agreement.

Section 10.3 Approval of Escrow Agreement. The Authorized Officer is hereby authorized and directed to approve the form, terms and provisions of one or more Escrow Agreements, and the Authorized Officer is hereby authorized, empowered and directed to execute and deliver the same, with such changes therein as such officer shall deem appropriate and in the best interests of DART, as conclusively evidenced by the execution thereof.

Section 10.4 Notice of Deposit. The Escrow Agent is hereby authorized and directed to give notice of deposit and notice of redemption with respect to the Refunded Obligations to Holders of the Refunded Obligations as required under the Outstanding Resolutions pursuant to which the Refunded Obligations were issued.

Section 10.5 Notice of Redemption. An Authorized Officer shall cause to be delivered to the Paying Agent/Registrar and Escrow Agent a certified copy of this Resolution and an

originally executed Pricing Certificate the delivery of which shall constitute the giving of notice to the Paying Agent/Registrar and Escrow Agent in accordance with the requirements of the Master Debt Resolution and the Supplemental Resolution pursuant to which the Refunded Obligations were issued. The Paying Agent/Registrar and Escrow Agent shall give notice of redemption to the holders of the Refunded Obligations as provided in the Master Debt Resolution and the Supplemental Resolution authorizing the issuance of the Refunded Obligations.

ARTICLE XI

APPROVAL OF OFFICIAL STATEMENT; REPEAL; SEVERABILITY; PRIOR ACTIONS; AND EFFECTIVE DATE

Section 11.1 Approval of Official Statement. With respect to any series of Bonds authorized hereunder with respect to which there is a Preliminary Official Statement, the following provisions shall be applicable. The Authorized Officer is hereby authorized and directed to approve the Preliminary Official Statement, subject to the review and approval of the President or Chief Financial Officer of DART, each acting in their official capacities. The Authorized Officer shall deem final the Preliminary Official Statement as of its dated date (except for the omission of pricing and related information with respect to the Bonds) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Authorized Officer, with the approval of the President and the Chief Financial Officer are each authorized and directed to complete on behalf of DART and in their official capacities, the Preliminary Official Statement, with such modifications, completions, changes and supplements, as those officers shall approve and authorize to reflect the rates of interest, redemption provisions and pricing information with respect to the Bonds, the Preliminary Official Statement as so completed being hereinafter referred to as the "Official Statement." The Authorized Officer is hereby authorized and directed to use and distribute or authorize the use and distribution of the Official Statement and any addendum, supplement or amendment thereto, in the offering and sale of the Bonds.

Section 11.2 Continuing Disclosure. The terms and provisions of Sections 11.1 of the Master Debt Resolution are hereby confirmed and made applicable to the Bonds; Sections 11.2 and 11.3 of the Master Debt Resolution shall not be applicable to the Bonds; instead, the provisions in this Section 11.2, as shall be amended to the extent the Rule is amended prior to the Closing Date, shall apply to the Bonds.

(a) Event Notices. DART shall give notice to the MSRB within 10 business days after the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of Owners, if material;

(viii) bond calls, if material and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of DART, which shall occur as described below;

(xiii) the consummation of a merger, consolidation, or acquisition involving DART or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;

(xv) incurrence of a Financial Obligation of DART, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of DART, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of DART, any of which reflect financial difficulties.

For these purposes, (A) any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for DART in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of DART, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of DART, and (B) DART intends the words used in the immediately preceding clauses (xv) and (xvi) in this Section and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

DART shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by DART to provide required annual financial and operating information and notices of material events in accordance with Sections 11.1 and 11.2. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

(b) Limitations, Disclaimers and Amendments.

(i) DART shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, DART remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that DART in any event will give notice of any bond calls and any defeasances that cause DART to be no longer an “obligated person.”

(ii) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. DART undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of DART’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. DART does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL DART BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY DART, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iii) No default by DART in observing or performing its obligations under this Article shall constitute a breach of or default under the Order for purposes of any other provisions of this Resolution.

(iv) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of DART under federal and state securities laws.

(v) The provisions of this Article may be amended by DART from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of DART, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule,

taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with DART (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The provisions of this Article may also be amended from time to time or repealed by DART if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of DART's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If DART so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 11.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 11.3 Prior Actions. Resolution 170093 approved by the Board on September 12, 2017 that approved the "Sixteenth Supplemental Debt Resolution," Resolution 180083 – Exhibit 2 approved by the Board on August 28, 2018 that approved the "Amended and Restated Sixteenth Supplemental Debt Resolution and Resolution 190104 approved by the Board on September 17, 2019 the approved "Revised Sixteenth Supplemental Debt Resolution," are hereby rescinded and of no further force and effect upon the approval hereof.

Section 11.4 Resolution Irrepealable. After any of the Bonds are issued, this Resolution shall constitute a contract between DART and the Holders of the Bonds, and this Resolution and the Master Debt Resolution shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled, refunded or discharged or provision for the payment thereof shall be made.

Section 11.5 Severability. If any Section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or lack of enforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11.6 Further Action. The Authorized Officers and each of them are authorized, empowered and directed to make changes to the terms of this Resolution and execute such other documents in addition to those enumerated herein and to take such other actions as they deem necessary or advisable in order to carry out and perform the purposes of this Resolution or in connection with the approval of any Bonds issued hereunder by the Attorney General of Texas.

Section 11.7 Effective Date. This Resolution shall only become effective, and the Authorized Officer shall only be authorized to take the action authorized hereby upon approval by 2/3rds of the statutorily authorized membership of the Board and upon the approval by 2/3rds of the statutorily authorized membership of the Board of the Fifteenth Supplemental Debt Resolution, scheduled for consideration on the same date as this Resolution.

ADOPTED THIS _____, 2020.

DALLAS AREA RAPID TRANSIT BOARD
OF DIRECTORS

ACCEPTANCE OF DUTIES AND TRUSTS

Amegy Bank, a division of ZB, National Association, acting by and through the below named duly authorized officer or offices, hereby accepts the trusts imposed by this Resolution and the Master Debt Resolution and agrees to perform the duties of Paying Agent/Registrar hereunder, but only upon and subject to the express terms and conditions therein and in the Master Paying Agent/Registrar Agreement. Further, as Trustee under the Master Debt Resolution, the Bank agrees to give notices and perform other actions required of the Trustee with respect to the Bonds.

Amegy Bank, a Division of ZB, National
Association
as Paying Agent/Registrar

By: _____
Authorized Officer

Date: _____

SCHEDULE I
Pledged Farebox Revenues

2011	\$14,941,000
2012	\$22,986,000
2013	\$22,986,000
2014	\$22,986,000
2015	\$22,986,000
2016	\$22,986,000
2017	\$22,986,000
2018	\$22,986,000
2019	\$22,986,000
2020	\$22,986,000
2021	\$22,986,000
2022	\$22,986,000
2023	\$22,986,000
2024	\$22,986,000
2025	\$22,986,000
2026	\$22,986,000
2027	\$22,986,000
2028	\$22,986,000
2029	\$22,986,000
2030	\$22,986,000
2031	\$22,986,000
2032	\$22,986,000
2033	\$22,966,000
2034	\$22,986,000
2035	\$22,986,000
2036	\$22,986,000
2037	\$22,986,000
2038	\$71,439,000
2039	\$71,433,000
2040	\$71,429,000
2041	\$71,420,000
2042	\$71,409,000
2043	\$71,404,000
2044	\$71,394,000
2045	\$71,383,000
2046	\$71,375,000
2047	\$71,368,000
2048	\$71,359,000
2049	\$71,350,000
2050	\$71,350,000
2051	\$71,350,000
2052	\$71,350,000
2053	\$71,350,000
2054	\$71,350,000
2055	\$71,350,000
2056	\$71,350,000
2057	\$71,350,000
2058	\$71,350,000

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