



RESOLUTION

of the

170093

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

RESOLUTION

Approval of: I) Fifteenth Supplemental Debt Resolution for Financing Through the Issuance of Senior Lien Sales Tax Revenue Bonds in Conjunction with 1) a Railroad Rehabilitation and Improvement Financing (RRIF) Program Loan, or 2) a Conventional Revenue Bond Issue, or 3) a Combination of a Conventional Revenue Bond Issue and a RRIF Program Loan for the Cotton Belt Commuter Rail Project; and II) Sixteenth Supplemental Debt Resolution for the Purpose of Financing the Second Central Business District (CBD) Light Rail Alignment Project (D2 Subway)

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 Supplemental Debt Resolutions Two through Fourteen which authorized the issuance of Revenue Bonds and Commercial Paper Notes to finance the acquisition of capital assets and refund existing debt; and

WHEREAS, DART has provided preliminary information to the U.S. Department of Transportation (DOT) Build America Bureau in support of a \$908 million loan for the Cotton Belt commuter rail project through the RRIF Program administered by the Federal Railroad Administration which is authorized to provide direct loans and loan guarantees to finance development of railroad infrastructure; and

WHEREAS, the RRIF Program is usually the most financially beneficial option to a borrowing entity because it provides flexible repayment terms and potentially more favorable interest rates than can be found in private capital markets for similar debt instruments; and

WHEREAS, because the DOT credit review process may impose loan loss reserves or other covenants and conditions, a conventional Revenue Bond issuance might be the better choice; and

WHEREAS, for this reason, the Fifteenth Supplemental Debt Resolution authorizes a RRIF loan or the issuance of conventional Revenue Bonds or a combination of the two to finance improvements to DART's transportation system; and

WHEREAS, DART has developed a refined Locally Preferred Alternative for the Second CBD Light Rail Alignment Project (D2 Subway) for submission to the Dallas City Council for approval, which will be followed by submission to the Federal Transit Administration (FTA) for consideration of a Core Capacity Grant; and

WHEREAS, the 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 as Current Interest Bonds and Capital Appreciation Bonds; and

WHEREAS, these financial transactions are within proposed FY 2018 Budget and proposed FY 2018 Twenty-Year Financial Plan allocations and will require approval by a two-thirds vote of the Board.

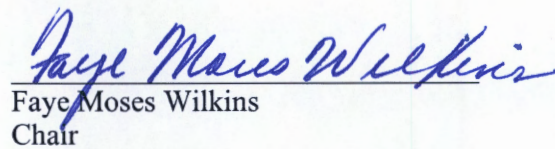
NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

- Section 1: The Fifteenth Supplemental Debt Resolution, in substantially the same form as shown in Exhibit 1 to this Resolution, is hereby approved for financing through the issuance of senior lien sales tax revenue bonds in conjunction with a Railroad Rehabilitation and Improvement Financing (RRIF) Program loan, or a conventional revenue bond issue, or a combination of a conventional revenue bond issue and a RRIF Program loan for the Cotton Belt Commuter Rail Project.
- Section 2: The Sixteenth Supplemental Debt Resolution, in substantially the same form as shown in Exhibit 2 to this Resolution, is hereby approved for the purpose of financing the Second Central Business District (CBD) light rail alignment project (D2 Subway), to be issued in multiple series as Current Interest Bonds and, as needed, Capital Appreciation Bonds.
- Section 3: The President/Executive Director and other designated Authorized Officers are authorized to sign all debt resolution agreements and documents, subject to the conditions and parameters set out in the Fifteenth Supplemental Debt Resolution and the Sixteenth Supplemental Debt Resolution.

Approval of: I) Fifteenth Supplemental Debt Resolution for Financing Through the Issuance of Senior Lien Sales Tax Revenue Bonds in Conjunction with 1) a Railroad Rehabilitation and Improvement Financing (RRIF) Program Loan, or 2) a Conventional Revenue Bond Issue, or 3) a Combination of a Conventional Revenue Bond Issue and a RRIF Program Loan for the Cotton Belt Commuter Rail Project; and II) Sixteenth Supplemental Debt Resolution for the Purpose of Financing the Second Central Business District (CBD) Light Rail Alignment Project (D2 Subway)



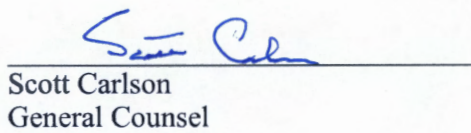
Gary Slagel
Secretary



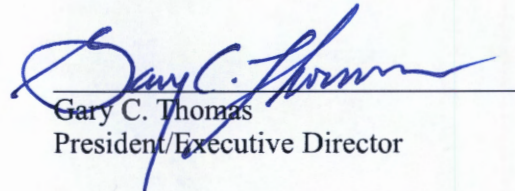
Faye Moses Wilkins
Chair

APPROVED AS TO FORM:

ATTEST



Scott Carlson
General Counsel



Gary C. Thomas
President/Executive Director

September 12, 2017
Date

DALLAS AREA RAPID TRANSIT

FIFTEENTH SUPPLEMENTAL DEBT RESOLUTION

authorizing

DALLAS AREA RAPID TRANSIT
SENIOR LIEN SALES TAX REVENUE
BONDS

Adopted ____, 2017

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Exhibit A – RRIF AGREEMENT A-1

FIFTEENTH SUPPLEMENTAL DEBT RESOLUTION AUTHORIZING THE ISSUANCE OF DALLAS AREA RAPID TRANSIT SENIOR LIEN SALES TAX REVENUE BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$908,000,000, SUBJECT TO CERTAIN PARAMETERS; PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT RELATING TO SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM LOAN AGREEMENT (“RRIF LOAN AGREEMENT”); 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; AND PLEDGING ADDITIONAL REVENUES

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, 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/or “Eligible Project Costs” (as such term is defined herein) related to the Project 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 sold to the federal government of the United States of America (the “RRIF Lender”) pursuant to an agreement(s) between DART and the RRIF Lender (the “RRIF Agreement”) and/or be sold conventionally to the public market pursuant to a Bond Purchase Agreement; 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 “Fifteenth 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 in to, 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 - means McCall, Parkhurst & Horton L.L.P. and West & Associates, L.L.P., all of Dallas, Texas, or one or more additional firms of nationally recognized attorneys selected by the Board 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 Section 3.1 hereof and the Pricing Certificate.

Chief Financial Officer - means the Chief Financial Officer of DART.

Closing Date - means the date on which the Bonds are actually delivered to and paid for by the Underwriters or the RRIF Lender, as applicable.

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

Compliance Agreement – means, if applicable, the Compliance Agreement entered between the Federal Transit Administration (or such other designated federal agency) and DART.

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.

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.

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

Eligible Project Costs – means the amounts identified in the RRIF Agreement as “Eligible Project Costs.”

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.

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.

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.

Fourteenth Supplemental Debt Resolution - means the Fourteenth Supplemental Debt 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 .

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

Initial Bond - means the Bond or Bonds described in Section 7.1(c) with the insertions required by Section 7.2(d).

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; provided, however, with respect to Bonds sold pursuant to the RRIF Agreement, means each June 1 and December 1 of each year commencing on the date set forth in the RRIF Agreement or such other dates as 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.

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 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 Number 130030 as amended by the First Amendment to Tenth 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, and this 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 equal to the Pledged Farebox Revenues Ratio multiplied by the Accrued Aggregate Debt Service applicable to DART's Senior Lien Sales Tax Revenue Bonds, Series 2010B during such Debt Service Accrual Period after deducting the Federal Subsidy accrued during such Debt Service Accrual Period, as specified in the Pricing Certificate.

Pledged Farebox Revenues Ratio – means the ratio derived from dividing the aggregate principal amount of the Series 2010B Bonds, less the amount of the Series 2010B Bonds set forth in the Pricing Certificate with respect to the Series 2010B Bonds to be deducted from the amount of Bond Obligations DART may issue within the Voted Tax and Debt Limits, by the aggregate principal amount of the Series 2010B Bonds.

Preliminary Official Statement – means the Preliminary Supplemental Official Statement, if any, relating to the Bonds as approved in Section 10.1.

President - means the President/Executive Director of DART.

Pricing Certificate – means one or more certificates executed by an Authorized Officer, as contemplated and authorized in Section 3.2.

Project– means the “Project” as defined in the RRIF Agreement or as otherwise described by the Board or an Authorized Officer as the project known as the “Cotton Belt Project.”

Rebate Fund - means the special fund created in Section 8.4(h) and is the type of fund referred to in the definition of that term in the Master Debt Resolution.

Record Date - means the close of business on the 15th day of the month next preceding an Interest Payment Date.

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/or the Cost of Acquisition and Construction 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 3.9(c).

Resolution - means this Fifteenth Supplemental Debt Resolution Number _____, approved by the Board on _____, 2017 pursuant to the Master Debt Resolution that authorizes the issuance of the Bonds.

RRIF Lender – means the federal government of the United States of America, including any agency thereof, together with its successors and assigns.

RRIF Agreement – means that certain RRIF Agreement (or such other term used by the relevant federal agency), dated _____, by and between DART and the RRIF Lender, as amended and supplemented.

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.

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.

Sixteenth Supplemental Debt Resolution – means Resolution Number _____ adopted by the Board on September 12, 2017, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds.

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, including the holder of the Bonds sold pursuant to the RRIF Agreement, 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 RRIF 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 IV 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, 2016

and (B) the annual financial information data contained in the charts set forth under “DART’S FINANCIAL PRACTICES AND RESOURCES” in DART’s Annual Disclosure Statement for the Period Ended September 30, 2016.

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, an 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 RRIF Lender pursuant to the RRIF Agreement and/or 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.

Section 2.5. Approval of RRIF Agreement. DART hereby approves the terms and provisions of the RRIF Agreement substantially in the form and substance attached hereto as Exhibit A and authorizes its execution by an Authorized Officer. To the extent entered, the terms and provisions of the RRIF Agreement are hereby incorporated by reference and shall be fully binding on DART with respect to the Bonds and the loan made by the RRIF Lender pursuant to the RRIF Agreement; provided, however, when the provisions of the Master Debt Resolution and

this Resolution conflict with the RRIF Agreement the provisions of the Master Debt Resolution and this Resolution shall prevail; and provided further, however, an Authorized Officer, in consultation with Bond Counsel, has the authority to make any and all changes to the RRIF Agreement in order to effectuate its execution, including, but not limited to, conformance with requirements of the Office of the Attorney General of the State of Texas and through negotiations with the RRIF Lender, including negotiations related to any fees or costs imposed by the RRIF Lender. Additionally, an Authorized Officer is authorized to execute any and all documents and agreements related to the RRIF Agreement, including, but not limited to, the Compliance Agreement, if applicable.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization; Taxable and Tax-Exempt Bonds. (a) One or more series of Additional Senior Lien Obligations, having the titles and series designations set forth in the Pricing Certificate are hereby authorized to be issued from time to time, in the maximum aggregate principal amount of not to exceed \$908,000,000 (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) pay the costs of issuing the Bonds, in each case to be issued and delivered in accordance with Applicable Law.

(b) An Authorized Officer is 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. Bond Date, Denominations, Numbers, Maturities, Interest and Characteristics of the Initial Bond. (a) The Bonds are hereby authorized to be issued, sold, and delivered, without interest coupons, in one or more series, and in denominations of \$5,000 or any integral multiple thereof (with respect to a Bond sold pursuant to the RRIF Agreement, the denomination shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof or such other amounts set forth in the RRIF Agreement), and shall be numbered separately from one (1) upward, except the Initial Bond for each series, which shall be numbered T-1. The Bonds shall be dated the date or dates set forth in the Pricing Certificate. The Bonds shall mature on December 1 in the years and in the principal amounts set forth in the Pricing Certificate. The Bonds shall mature and become payable not later than December 1, 2053.

(b) As authorized by Chapters 1207 and 1371, an Authorized Officer is hereby authorized, appointed, and designated as an authorized officer who is 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, the determination of whether a particular series of Bonds will be sold to the RRIF Lender and/or 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 the Pricing Certificate. Any and all series of Bonds shall be subject to the following additional parameters: (i) the Bonds shall mature no later than December 1, 2053; (ii) the Bonds shall not be delivered unless, prior to delivery, the Bonds shall have been rated at least "AA" by Standard and Poor's or "Aa3" by Moody's; (iii) the maximum coupon rate shall not exceed 5% and the maximum interest rate (true interest cost) shall not exceed 4%; and (iv) the maximum underwriters discount, if any, shall not exceed .5%. The Refunded Obligations shall be identified in the Pricing Certificate executed on the date of the Bond Purchase Agreement by an Authorized Officer.

Section 3.3. Execution of Bond Purchase Agreement. An Authorized Officer is authorized to enter into and carry out a Bond Purchase Agreement, with the terms specified in the Pricing Certificate, and other matters including representations, warranties and covenants of DART, as shall be determined by an Authorized Officer and set forth therein.

(a) An Authorized Officer is authorized to provide for a Policy, if any, with respect to the Bonds. An 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. An 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 the Pricing Certificate and the RRIF Agreement, if applicable, (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 Bonds shall be payable, all as provided, and in the manner required or indicated in this Resolution and as determined by an 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, the Bond Purchase Agreement, if applicable, and the RRIF Agreement, if applicable.

(c) The delegation authority granted under this Resolution to an Authorized Officer shall be in effect for an initial twelve month period from adoption of this Resolution and, in the

event all such authority is not exercised in the initial twelve month period, the authority will automatically extend, subject to withdrawal of authority as described in subparagraph 3.3(d) below, for successive twelve month periods, up to a total of sixty months.

(d) Written notice by electronic mail from the President/Executive Director or his designee shall be provided to each member of the Board of Directors at least sixty days prior to the expiration date of each successive twelve month period. Prior to issuance of any portion of the Additional Senior Lien Bonds authorized pursuant to Section 3.1, the Board may withdraw the authority to an Authorized Officer by a 2/3rds vote of the statutorily authorized membership of the Board of Directors.

(e) Absent the issuance of any of the Bonds authorized hereby and during any period in which this Resolution remains in effect, the Board shall be briefed in December and June of each year on the status of the financing.

(f) The authority granted under this Resolution to an Authorized Officer may be exercised no sooner than sixty days after notification to the Board of Directors of the issuance of the Record of Decision (ROD) or last-in-time of all Records of Decision (“RODs”), as determined by an Authorized Officer, by applicable federal agency(ies) finding that the requirements of the National Environmental Policy Act have been satisfied for construction of the Project. Each member of the Board of Directors shall be notified by electronic mail upon issuance of the applicable ROD or RODs.

Section 3.4. Medium, Method and Place of Payment. (a) The principal of, premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the 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 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. To the extent the Bonds are sold pursuant to the RRIF Agreement, principal of and interest on the Bond shall be paid to the Holder as set forth in the RRIF Agreement.

(c) Interest on the Bonds 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. To the extent the Bonds are sold pursuant

to the RRIF Agreement, interest on the Bonds shall be paid to the Holder by wire transfer as provided in the RRIF Agreement.

(d) The principal of each 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. To the extent the Bonds are sold pursuant to the RRIF Agreement, principal of and interest on the Bond shall be paid to the Holder on the dates and in the amounts set forth in the RRIF Agreement.

(e) 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.

(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 the Board and thereafter neither the Board, 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) Interest shall accrue and be paid on each Bond respectively until its maturity or prior redemption, from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the Pricing Certificate as provided in Section 3.2(b). Such interest shall be payable semiannually on each Interest Payment Date. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each, with the first Interest Payment Date to be the date set forth in the Pricing Certificate.

(h) 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 3.9 hereof, payment of the principal, together with any premium, and interest on the 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 3.5. 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, 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 3.6. 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 and, if applicable, the RRIF Agreement.

(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 (with respect to a Bond sold pursuant to the RRIF Agreement, the denomination shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof or such other amounts set forth in the RRIF Agreement), 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 and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond 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, in the denomination or denominations of any integral multiple of \$5,000 (with respect to a Bond sold pursuant to the RRIF Agreement, the denomination shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof or such other amounts set forth in the RRIF Agreement) 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 3.7. 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 3.8. Temporary Bonds. (a) Following the delivery and registration of the Initial Bond 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 3.9. 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, 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 3.10. 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 unless otherwise agreed to with the RRIF Lender, if applicable, 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 3.10, 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 3.11. 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 3.12. 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 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. The provisions of this Article V shall be subject to the terms of the RRIF Agreement, if the Bonds are sold pursuant thereto, and the Pricing Certificate.

Section 5.2. Optional Redemption. (a) An 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) An 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 equal to \$5,000 or any integral multiple thereof (with respect to a Bond sold pursuant to the RRIF Agreement, the denomination to be redeemed shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof or such other amounts set forth in the RRIF Agreement). If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Bond (with respect to a Bond sold pursuant to the RRIF Agreement, the denomination to be redeemed shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof or such other amounts set forth in the RRIF Agreement) 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 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 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 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 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 by DART has designated and appointed as 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 RRIF Bond]

REGISTERED
No. _____

REGISTERED
\$ _____

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

Principal Amount Interest Rate Dated Date Stated Maturity Date
\$ _____ _____ %

OWNER:

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 the Owner named above, or its registered assigns (the “RRIF Lender”), but solely from the sources hereinafter described, the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the “Disbursements”) made by the RRIF Lender (such lesser amount being hereinafter referred to as the “Outstanding Principal Sum”), and the accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the RRIF Agreement), on such Outstanding Principal Sum together with all other amounts levied or assessed on this Bond, all as more fully described in the below-referenced RRIF Agreement. This Bond shall bear interest at the interest rate and interest shall be payable at the rate and on the dates set forth in the Loan Amortization Schedule (or such other date as provided by the provisions of the RRIF Agreement (as defined below)) in accordance with the terms and provisions of _____

of the RRIF Agreement. Each Disbursement made by the RRIF Lender to DART pursuant to the RRIF Agreement and each prepayment made on account of the Outstanding Principal Sum, shall be recorded by or on behalf of the RRIF Lender and endorsed on the grid attached hereto as Appendix One with a copy to DART and the Paying Agent in accordance with the terms of the RRIF Agreement, which is hereby made a part hereof. The principal hereof shall be payable on the dates set forth in the Loan Amortization Schedule in Appendix Two (or such other date as provided by the provisions of the RRIF Agreement) and on the Stated Maturity Date, in accordance with _____ as revised from time to time in accordance with the RRIF Agreement, until paid in full. Such Appendix Two shall be revised or completed by or on behalf of the RRIF Lender in accordance with the terms of the RRIF Agreement. Payments hereon are to be made in accordance with Section 9(c) of the RRIF Agreement as the same become due. Payments hereon are to be made in accordance with Section ____ of the RRIF Agreement as the same become due. Absent manifest error, the RRIF Lender's determination of such matters as set forth on _____ to the RRIF Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the DART's obligations hereunder or under any other ancillary document. Principal of and interest on this Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America which at the date of payment is legal tender for the payment of public and private debts.

This Bond has been executed under and pursuant to a RRIF Agreement dated as of ____ between the RRIF Lender and DART (the "RRIF Agreement") and a Master Debt Resolution, adopted January 23, 2001, as previously amended and supplemented and hereafter amended and supplemented, and the Fifteenth Supplemental Debt Resolution, adopted _____, 2017 (together, the "Resolution") and is issued to evidence the obligation of DART under the RRIF Agreement to repay the loan made by the RRIF Lender and any other payments of any kind required to be paid by DART under the RRIF Agreement. Reference is made to the RRIF Agreement and the Resolution for all details relating to DART's obligations hereunder. All terms used herein and not defined shall have the meanings defined in the Resolution, and the RRIF Agreement.

This Bond is a special limited obligation of DART, payable from and secured by a first lien on and pledge of the Pledged Revenues and 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.

NONE OF THE STATE OF TEXAS NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS OTHER THAN DART IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THIS BOND IS

PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE AMOUNTS ON DEPOSIT IN THE SENIOR LIEN DEBT SERVICE FUND HELD PURSUANT TO THE RESOLUTION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

NO RECOURSE UNDER THIS BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF DART. THIS BOND SHALL NEVER BE PAID IN WHOLE OR IN PART OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION (EXCEPT FOR DART'S 1% SALES TAX) OR OUT OF ANY OTHER REVENUES OF DART EXCEPT THE PLEDGED REVENUES.

This Bond shall and may be prepaid in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid to be determined by the RRIF Lender in accordance with the RRIF Agreement and the Resolution); provided, however, any prepayments made at the option of DART shall be in minimum principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof, at any time or from time to time, without penalty or premium, by paying to the RRIF Lender all or part of the principal amount of this Bond in accordance with the RRIF Agreement.

On each payment due date, payments hereon are to be made in the manner and at the place specified by the RRIF Lender.

Any delay on the part of the RRIF Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the State of Texas to happen, exist, and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required. This Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State of Texas shall govern its construction to the extent such federal laws are not applicable.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond is duly authorized by law; that all acts, conditions and things required to exist and necessary to be done or performed precedent to and in the issuance of this Bond to render the same lawful, valid and binding have been properly done and performed and have happened in regular and due time, form and manner as required by law; that all acts, conditions and things necessary to be done or performed by DART or to have happened precedent to and in the execution and delivery of the Resolution have been done and performed and have happened in regular and due form as required by law; that due provision has been made for the payment of the principal of, premium, if any, and interest on this Bond from the Pledged Revenues and funds on deposit in the Senior Lien Debt Service Fund; that full and complete consideration for the Bond has been received, and that the issuance of the Bond does not contravene or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, DART has caused this Bond to be executed with the manual or facsimile signature of the Chair and countersigned by the facsimile signatures of its President and Secretary and the official seal of DART to be impressed, lithographed or imprinted hereon.

COUNTERSIGNED:

President,
Dallas Area Rapid Transit

Chair of the Board of Directors,
Dallas Area Rapid Transit

Secretary of the Board of Directors
Dallas Area Rapid Transit

[SEAL]

[Form of Assignment]

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common	UNIF GIFT MIN ACT- _____ Custodian _____
TEN ENT – as tenants by the entireties	(Cust) _____ (Minor)
JT TEN – as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

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

Please insert Social Security or
Other Identifying Number of Assignee:

the within Bond and does hereby irrevocably constitute and appoint _____ to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever; and

NOTICE: Signature(s) must be guaranteed by the Securities Transfer Association signature guarantee program.

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]

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

By: _____

Dated: _____

APPENDIX ONE

Maturity Date:

Maximum Principal Sum: \$ _____

Issuer: Dallas Area Rapid Transit

Project: Cotton Belt

Lender: The United States Department of Transportation

Loan Number:

DISBURSEMENTS AND PAYMENTS OF PRINCIPAL⁽¹⁾

Date	Amount of Disbursement	Amount of Principal Paid	Unpaid Principal Sum	Notation Made By

⁽¹⁾This Grid may be extended if the number of Disbursements, payment and extensions so requires.

APPENDIX TWO
PRO FORMA
LOAN AMORTIZATION SCHEDULE

Principal Amount \$ _____

Closing Date:

Interest Rate:

Date	Beginning Balance	Disbursements	Loan Repayment	Interest Paid	Interest Accrued	Repayment of Accrued Interest	Principal Repayment	Ending Balance
	\$	\$	\$	\$	\$	\$	\$	\$

Semiannual P&I
Semiannual Compounding
Interest calculated based upon actual days over actual days

(b) [Preliminary Form of 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: December 1, _____ DATED DATE: _____ CUSIP NO.: _____

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 Fifteenth Supplemental Debt Resolution adopted on _____, 2017, by the Board of Directors of DART (the "Fifteenth Supplemental Resolution") and a pricing certificate (the "Pricing Certificate") executed pursuant to the authority delegated in the Fifteenth Supplemental Resolution. The Master Debt Resolution, the Fifteenth 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:

Gary C. Thomas
President/Executive Director
Dallas Area Rapid Transit

Faye Moses Wilkins
Chair, DART Board of Directors,
Dallas Area Rapid Transit

Gary Slagel
Secretary of the 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

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: _____

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.

Signature Guaranteed By:

Authorized Signatory

Initial Bond Insertions for Bonds not sold pursuant to the RRIF Agreement.

(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:

Years Principal Installments Interest Rates
(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 T-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:

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

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of Dallas Area Rapid Transit, and that this Bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL 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; provided, however, with respect to Bonds sold pursuant to the RRIF Agreement, the Initial Bond shall only be approved by the Attorney General of Texas and registered and manually signed by the Comptroller of Public Accounts of the State if it is determined by Bond Counsel to be required under State law. The Initial Bond shall be registered in the name specified in the Bond Purchase Agreement. The Initial Bond for Bonds sold pursuant to the RRIF Agreement shall be registered in the name specified in the RRIF Agreement or at the direction of the RRIF Lender.

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); provided, however, in the case the Bonds are sold pursuant to the RRIF Agreement, the Paying Agent/Registrar shall authenticate the Initial Bond and deliver as instructed by the RRIF Lender.

(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 the RRIF Lender, as applicable, and with the Paying Agent/Registrar as may be necessary to assure that the Bonds will be delivered to such Underwriters or RRIF Lender, as applicable, in accordance with the terms of sale or RRIF Agreement, as applicable.

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, including any required fees and costs of the RRIF Lender, 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 and/or, in the case of Bonds sold pursuant to the RRIF Agreement, to pay a portion of the Eligible Costs of the Project. DART shall make requests for disbursements in the form set forth in the RRIF Agreement, if applicable.

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 and 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. Additionally, as it relates to the RRIF Loan, an Authorized Officer may expend funds prior to issuance to pay any costs or fees in connection with entering the RRIF Loan, including fees paid by DART to the RRIF Lender and its consultants.

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

Section 10.2. Subscription of Escrowed Securities. An 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. An Authorized Officer is hereby authorized and directed to approve the form, terms and provisions of one or more Escrow Agreements, and an 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, 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. An 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. An 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. An 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." An 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) defeasance;
- (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; and
- (xiv) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

For these purposes, 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.

(b) DART shall notify the MSRB, in a timely manner, of any failure by DART to provide financial information or operating data in accordance with Section 11.1 of the Master Debt Resolution by the time required by such Section.

(c) 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 Order.

(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 Order 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. 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 11.4. 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 11.5. 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 11.6. Effective Date. This Resolution shall only become effective, and the President/Executive Director 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 Sixteenth Supplemental Debt Resolution, scheduled for consideration on the same date as this Resolution.

ADOPTED THIS _____, 2017.

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: _____

EXHIBIT A

RRIF AGREEMENT

[The form of the RRIF Agreement is attached.]

**UNITED STATES
DEPARTMENT OF TRANSPORTATION**

RRIF LOAN AGREEMENT

For Up to \$[908,000,000]

With

DALLAS AREA RAPID TRANSIT

For the

**COTTON BELT PROJECT
(RRIF – _____)**

Dated as of [_____,] ____

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RRIF LOAN AGREEMENT

This **RRIF LOAN AGREEMENT** (this "**Agreement**"), dated as of the Effective Date, is by and between the **DALLAS AREA RAPID TRANSIT**, a regional transportation authority, public body corporate and politic, whose creation was confirmed at an election held on August 13, 1983, pursuant to the provisions and requirements of Chapter 452, Texas Transportation Code, as amended, with an address of 1401 Pacific Avenue, Dallas, Texas 75202 (together with its successors and assigns, the "**Borrower**" or "**DART**"), and the **UNITED STATES DEPARTMENT OF TRANSPORTATION**, an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau (the "**Executive Director**"), with an address of 1200 New Jersey Avenue, S.E., Washington, D.C. 20590 (the "**RRIF Lender**").

RECITALS:

WHEREAS, the Secretary (as defined herein) is authorized, pursuant to Title V of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 *et seq.* (the "**Act**"), to provide financial assistance for such purposes consistent with the Act as may be approved by the Secretary and the Secretary has duly delegated the Secretary's authority under the Act to the Executive Director;

WHEREAS, pursuant to the Act, the Borrower has requested that the RRIF Lender make the RRIF Loan (as defined herein) in a principal amount not to exceed \$[908,000,000] (excluding interest that is capitalized in accordance with the terms hereof) to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project (as defined herein) pursuant to the application for RRIF credit assistance dated _____, ____ (the "**Application**"); and

WHEREAS, on _____, _____, the Secretary approved RRIF credit assistance for the Project in the form of the RRIF Loan; and

WHEREAS, pursuant to Section 452.363 of the DART Act (as defined herein) and Order No. 000102 (the "**Election Order**") adopted by the Board on June 12, 2000, an election (the "**2000 Election**") was held within the boundaries of DART, and the voters voting thereat authorized the Borrower to pledge its 1% sales and use tax revenues to the payment of bonds or notes having a maturity longer than five (5) years; and

WHEREAS, Section 452.054 of the Dart Act provides that DART has any power necessary or convenient to carry out or effect the purposes of the DART Act and Section 452.055 specifically authorizes DART to accept loans; and

WHEREAS, the Borrower's financial obligations under this Agreement and the RRIF Bond (as defined herein) will be incurred pursuant to the authority of the DART Act and the authority conferred at the 2000 Election; and

WHEREAS, on January 23, 2001, the Subregional Board of Directors of the Borrower adopted its Master Debt Resolution (as amended, the "**Master Debt Resolution**") relating to the

financing and refinancing of expansions, improvements and further developments to the System (as defined herein); and

WHEREAS, the Master Debt Resolution establishes the provisions, terms, and conditions of, and the security for, the Borrower's bonds, notes, and credit agreements, to be issued and executed from time to time for its lawful purposes; and

WHEREAS, the Borrower has previously issued its bonds pursuant to the authority conferred at the 2000 Election and the DART Act all of which are payable from the Borrower's Pledged Revenues; and

WHEREAS, pursuant to Final Judgment No. DC 12-08020 of the District County of Dallas County, Texas, 160th Judicial District, the court determined, among other things, that Section 9 of the Election Order that placed a \$2.9 billion limit on the amount of long-term obligations payable from and secured solely by the Sales Tax (as defined herein) is inapplicable to long-term debt secured by a combined pledge of both the Sales Tax and System (as defined herein) revenues, including farebox revenues; and

WHEREAS, the RRIF Lender is prepared to extend credit upon the terms and conditions hereof; and

WHEREAS, the Borrower agrees to repay any amount due pursuant to the Master Debt Resolution, this Agreement and the RRIF Bond in accordance with the terms and provisions hereof and thereof;

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the RRIF Lender as follows:

Section 1. Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 (Definitions) or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

"2000 Election" means the election held within the jurisdictional boundaries of the Borrower pursuant to which the voters voting thereat authorized the Borrower to pledge its 1% sales and use tax revenues to the payment of bonds or notes having a maturity longer than five (5) years.

"Abandon" means the cessation of construction or operation of the Project for a continuous period of not fewer than 30 days unless such cessation shall occur by reason of an Uncontrollable Force.

"Act" means Title V of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 *et seq.*

"Acceptable Credit Rating" means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than at the time such Person executes, delivers or issues a Credit Enhancement, 'A+', 'A1' or the equivalent rating from each Nationally Recognized Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable.

"Additional Project Contracts" means any contract, agreement, letter of intent, understanding or instrument (other than a Principal Project Contract) (or any series of the same) entered into by the Borrower after the Effective Date, providing for the design, construction, testing, start-up, safety, financial services, operation or maintenance of the Project, or otherwise relating to the Project, including any master contract providing goods or services for multiple projects or assets including the Project; provided, however, that a contract or agreement shall not constitute an Additional Project Contract if it (a) is entered into (i) in the ordinary course of business in connection with the furnishing of goods or the performance of services or for necessary Project-related expenditures, (ii) commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower in one contract or a series of related contracts of, no more than \$1,000,000 in the aggregate for any such contract or series of related contracts, and (iii) is for a term not exceeding two years or (b) is for the design, construction, testing, start-up, safety, financial services, operation or maintenance of a Borrower project other than the Project and does not utilize federal funding or any of the other funding listed in the Project Budget as set forth in Schedule I to this Agreement, regardless of whether such other project work is implemented through any change order to a Project contract.

"Additional Rights" means those additional rights provided to the RRIF Lender by the Borrower pursuant to Section 17(j) (*Additional Rights*).

"Additional Senior Lien Obligations" has the meaning assigned to such term in the Master Debt Resolution.

"Additional Subordinate Lien Obligations" has the meaning assigned to such term in the Master Debt Resolution.

"Agreement" has the meaning provided in the preamble hereto.

"Annual Budget" means the Annual Budget of the Borrower submitted in accordance with Section 23(c)(iii).

"Anticipated RRIF Loan Disbursement Schedule" means the schedule set forth in **Exhibit B**, reflecting the anticipated disbursement of proceeds of the RRIF Loan. to this Agreement, as such schedule may be amended from time-to-time pursuant to Section 4.

"Applicable Law" means the DART Act and all other laws or statutes, rules or regulations, and any amendments thereto, of the State or of the United States by which DART and its powers, securities, bonds, notes, and other obligations, and its operations and procedures are, or may be, governed or from which such powers may be derived.

"Application" has the meaning provided in the recitals hereto.

"Bank Lending Margin" means in respect of Variable Interest Rate Parity Obligations, the "Applicable Margin" as defined in the financing documents related thereto.

"Bank Secrecy Act" means the Bank Secrecy Act of 1970, as amended, and the regulations promulgated thereunder.

"Bankruptcy Related Event" means

(a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its debts, or of a substantial part of the assets of the Borrower, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower for a substantial part of the assets of the Borrower, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or

(b) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the assets of the Borrower, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or (iii) become unable to pay its debts generally as they become due, or make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (vii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law.

"Base Case Financial Model" means a financial model prepared by the Borrower forecasting cash flows, including all funding sources and expenditures of the System for time periods through the Final Maturity Date and based upon assumptions and methodology provided by the Borrower and acceptable to the RRIF Lender as of the Effective Date, which model shall be provided to the RRIF Lender as a fully functional Microsoft Excel – based financial model or such other format requested by the RRIF Lender.

"Base Case Projections" means the initial forecast for the System, including the Pledged Revenues, prepared as of the Effective Date using the Base Case Financial Model.

"Board" or **"Board of Directors"** means the governing body of the Borrower.

"Bond" means the bond delivered by the Borrower in substantially the form of **Exhibit A**.

"**Borrower**" has the meaning provided in the preamble hereto.

"**Borrower Fiscal Year**" means (a) as of the Effective Date, a fiscal year of the Borrower commencing on October 1st of any calendar year and ending on September 30th of the immediately succeeding calendar year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days' prior written notice to the RRIF Lender, as provided in Section 17(g) (*Organizational Documents; Fiscal Year*).

"**Borrower's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 26 (*Borrower's Authorized Representative*).

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, Washington, D.C., or Dallas, Texas.

"**Capital Expenditures**" means expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements, replacements, substitutions or additions thereto that have a useful life of more than one year which are capitalized in accordance with GAAP.

"**Capitalized Interest Period**" means the period from (and including) the Effective Date to (but excluding) the first day of the initial Payment Period.

"**Certificate**", "**Statement**", "**Request**", "**Requisition**" or "**Order**" of the Borrower means, respectively, a written certificate, statement, request, requisition or order signed in the name of the Borrower by a Borrower's Authorized Representative.

"**Comptroller**" means the Constitutional Officer of the State of Texas known as the "Comptroller of Public Accounts" and any successor official or officer that may be charged by law with the duty of collecting the Sales Tax for the account of, and remitting Gross Sales Tax Revenues to, the Borrower.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

"**Congress**" has the meaning provided in the recitals hereto.

"**Construction Contract**" means the _____, by and between _____ and the Construction Contractor, dated _____, _____, as such agreement is amended and supplemented thereafter.

"**Construction Contractor**" means _____ and any successors thereto.

"**Construction Period**" means the period from the Effective Date through the Substantial Completion Date.

"**Construction Schedule**" means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as **Schedule II**, and (b) any updates

thereto included in the Financial Plan most recently approved by the RRIF Lender pursuant to Section 22(a)(iii)(B) (*Financial Plan*).

"**Contractual Obligation**" means, as to any Person, any contractual provision or any pledge issued or entered into by such Person under any indenture, resolution, contract, agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property or assets is bound.

"**Control**" means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms "**Controlling**" and "**Controlled by**" have meanings correlative to the foregoing.

"**CPI**" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted), or its successor, published by the Bureau of Labor Statistics, with, unless otherwise specified herein, January ____ as the base period.

"**Credit Agreement Obligation**" has the meaning assigned to such term in the Master Debt Resolution.

"**Credit Enhancement**" means, with respect to a Series of Obligations, any Insurance, letter of credit, line of credit, surety bond, standby purchase agreement or other instrument, which secures or guarantees the payment of principal of, interest on, or the purchase of, a Series of Obligations, issued by a Credit Provider, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms.

"**Credit Provider**" means, with respect to a Series of Obligations, the Insurer, commercial bank, pension fund, or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Credit Enhancement then in effect with respect to such Series of Obligations.

"**DART**" has the meaning assigned to such term in the introductory paragraph to this Agreement, together with any successors and assigns.

"**DART Act**" means Chapter 1371, Texas Government Code and Chapter 452 of the Texas Transportation Code, each as amended, modified or supplemented from time to time.

"**RRIF Bond**" means the Bond issued by the Borrower to the RRIF Lender pursuant to the Master Debt Resolution, in substantially the form of **Exhibit A**, to evidence and secure the payment obligations of the Borrower on the RRIF Loan.

"**Debt Service**" has the meaning assigned to such term in the Master Debt Resolution.

"**Debt Service Payment Commencement Date**" means _____, 20__.

"**DFW Airport**" means Dallas/Fort Worth International Airport.

"**Default Rate**" means an interest rate equal to the sum of (a) the RRIF Interest Rate plus (b) ___ basis points.

"**Development Default**" means the Borrower fails to complete the Project by the Projected Substantial Completion Date, unless the Borrower demonstrates to the RRIF Lender's satisfaction that it is proceeding with the construction of the Project with due diligence toward the date acceptable to the RRIF Lender.

"**Effective Date**" means _____, ____.

"**Election Order**" means DART's Order No. 000102 adopted by the Board on June 12, 2000 which called for the 2000 Election.

"**Eligible Project Costs**" means amounts in the Project Budget, substantially all of which are paid by or for the account of the Borrower in connection with the Project, all of which shall arise from the following:

(a) development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, replacement and acquisition of real property (including land related to the Project and improvements to land), environmental mitigation, construction contingencies and acquisition of equipment; or

(c) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction;

provided, however, that Eligible Project Costs must be consistent with 23 U.S.C. § 601 *et seq.*, 49 U.S.C. § 5302(3), the SCCs described in **Schedule I**, and all other applicable federal law.

"**Eligible Project Costs Documentation**" has the meaning provided in Section 4(c) (*Disbursement Conditions*).

"**Environmental Laws**" has the meaning provided in Section 14(s) (*Environmental Matters*).

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and the regulations thereunder, in each case as in effect from time to time.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"**Event of Default**" has the meaning provided in Section 20(a) (*Events of Default and Remedies*).

"**FHWA**" means the Federal Highway Administration, a modal agency of USDOT.

"**Executive Director**" has the meaning provided in the preamble thereto.

"**Federal Fiscal Year**" or "**FFY**" means the fiscal year of the Government, which is the twelve (12) month period that ends on September 30 of the specified calendar year and begins on October 1 of the preceding calendar year.

"**Fifteenth Supplemental Debt Resolution**" means Resolution Number _____, adopted by the Board on _____, ____ that specifically describes and authorizes the RRIF Bond.

"**Final Maturity Date**" means _____, 20__.

"**Financial Plan**" means (a) the financial plan to be delivered within sixty (60) days after the Effective Date in accordance with Section 22(a) (*Financial Plan*) and (b) any updates thereto required pursuant to Section 22(a) (*Financial Plan*).

"**Financial Statements**" has the meaning provided in Section 14(z) (*Financial Statements*).

"**FTA**" means the Federal Transit Administration, a modal agency of the USDOT.

"**FTA Compliance Agreement**" means the Compliance Agreement, dated _____, _____, executed by the Borrower.

"**FTA Project Management Oversight Requirements**" means the requirements and conditions set forth in 49 U.S.C. § 5327, in 49 C.F.R. Part 633, and any other laws governing FTA's project management oversight procedures, in each case, as amended from time-to-time.

"**FTA Regional Office**" means Region VI office of the FTA.

"**GAAP**" means generally accepted accounting principles for state and local governments as defined by the Governmental Accounting Standards Board or such other nationally recognized professional body, in effect from time to time in the United States of America.

"**Government**" means the United States of America and its departments and agencies.

"**Government Obligations**" means (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the Government, (b) bonds, debentures or notes issued by any of the following Federal Agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association or Federal Land Banks, (c) obligations issued or guaranteed by an agency of the United States of America or Person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to

authority granted by the Congress, and (d) evidences of ownership of proportionate interests in future interest or principal payments on obligations specified in clauses (a), (b) and (c) of this definition held by a bank or trust company as custodian and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated.

"Governmental Approvals" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

"Governmental Authority" means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing, whether as an agency or authority of such body.

"Gross Sales Tax Revenues" means all of the revenues due or owing to, or collected or received by or on behalf of, DART, or by the Trustee pursuant to the Master Debt Resolution, from or by reason of the levy of the Sales Tax, less any amounts due or owing to the Comptroller as charges for collection or retention by the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retentions are authorized or required by law. Such term expressly does not include any Special Revenues (as defined in the Master Debt Resolution).

"Gross Sales Tax Revenue Fund" means the special trust fund by that name established and confirmed in Section 5.1 of the Master Debt Resolution.

"Hedge Documents" has the meaning set forth in Section 16(m)(ii).

"Hedging Agreement" means any ISDA Master Agreement(s) and the related schedules and confirmations, to be entered into by the Borrower and a Hedging Bank and any other agreement entered into, or to be entered into, by the Borrower and a Hedging Bank for a Hedging Transaction, in each case in form acceptable to the RRIF Lender, and includes, but is not limited to a "Swap Agreement" as such term is defined in the Master Debt Resolution; provided, however, in no event shall the defined term "Hedging Agreement" include a commodity hedge agreement entered into by the Borrower in the ordinary course of business.

"Hedging Banks" means any Qualified Hedge Provider that becomes a party to a Hedging Agreement and their respective successors and assigns.

"Hedging Obligations" means, collectively, the payment of (a) all scheduled amounts payable to the Hedging Banks by the Borrower under the Hedging Agreements (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), net of all scheduled amounts payable to the Borrower by such Hedging Banks, and

(b) all other indebtedness, fees, indemnities and other amounts payable by the Borrower to the Hedging Banks under such Hedging Agreements, net of all other indebtedness, fees, indemnities and other amounts payable by the Hedging Banks to the Borrower under such Hedging Agreements; provided that Hedging Obligations shall not include Hedging Termination Obligations. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

"Hedging Termination Obligations" means the aggregate amount payable to the Hedging Banks by the Borrower upon the early termination of all or a portion of a Hedging Agreements, net of all amounts payable to the Borrower by such Hedging Banks upon the early unwind of all or a portion of such Hedging Agreements. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

"Hedging Threshold" shall have the meaning assigned to such term in Section 16(m)(i).

"Hedging Transaction" means any interest rate protection agreement, interest rate swap transaction, interest rate "cap", "collar" or "floor" transaction, interest rate future, interest rate option or other hedging arrangement; provided, however, in no event shall the defined term "Hedging Transactions" include commodity hedge transactions entered into by the Borrower in the ordinary course of business.

"Holder" shall have the meaning assigned to such term in the Master Debt Resolution.

"Indemnitee" has the meaning provided in Section 18 (*Indemnification*).

"Insolvency Laws" means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

"Insurance" means any financial guaranty insurance policy or municipal bond insurance policy issued by an Insurer insuring the payment when due of principal of and interest on a Series of Obligations as provided in such financial guaranty insurance policy or municipal bond insurance policy.

"Insurer" means any provider of Insurance with respect to a Series of Obligations.

"Investment Grade Rating" means a public rating no lower than 'BBB-', 'Baa3' or the equivalent public rating from a Nationally Recognized Rating Agency.

"Junior Subordinate Lien Obligations" has the meaning assigned to such term in the Master Debt Resolution.

"License - Dallas Area Rapid Transit I-3" means the agreement between the DFW Airport Board (the **"DFW Board"**) and DART fully-executed on _____, _____, whereby a license is granted from the DFW Board to DART and the Construction Contractor to occupy and use a portion of the property located on DFW Airport to construct the Project.

"Lien" means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

"Loan Amortization Schedule" means the Loan Amortization Schedule reflected in the applicable column of **Exhibit G**, as amended from time to time in accordance with Section 7 (*Outstanding RRIF Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule*).

"Loan Underwriting Rate" means for any period and with respect to any Variable Interest Rate Parity Obligations, the initial rate equal to the sum of the long-term fixed swap rate, plus the swap margin, plus the applicable Bank Lending Margin, contemplated in an Updated Base Case Financial Model prepared by the Borrower in respect of such Variable Interest Rate Parity Obligations, and to be set forth in each certificate delivered pursuant to Section 17(a) of this Agreement.

"Master Debt Resolution" means Resolution Number 010014, bearing that title, and adopted by the Board on January 23, 2001, as amended and supplemented to date, including by the Fifteenth Supplemental Debt Resolution, and as may hereafter be further supplemented by a Supplemental Debt Resolution.

"Material Adverse Effect" means a material adverse change in (a) the Project or the business, property or financial condition of the Borrower, (b) the ability of the Borrower to perform or comply with any of its material obligations under the Master Debt Resolution or the RRIF Loan Documents or the Principal Project Contracts to which it is a party, (c) the validity or priority of the lien on the Trust Estate in favor of the Trustee or (d) the RRIF Lender's rights or benefits available under this Agreement, the Master Debt Resolution.

"Nationally Recognized Rating Agency" means any nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

"NEPA" means The National Environmental Policy Act of 1969, as amended, 42 §§ 4321 *et seq.*

"NCTCOG" means the North Central Texas Council of Governments, a voluntary association of, by, and for local governments, servicing the 16-county region of North Central Texas, which is centered around the two urban centers of Dallas and Fort Worth.

"O&M Expenses" means (a) all amounts paid or incurred by the Borrower or any other person on its behalf for the financing, planning, design, engineering, acquisition, installation, construction, reconstruction, operation or maintenance of the Borrower's facilities that (i) are expenses under generally accepted accounting principles then in effect for governmental entities similar to the Borrower and (ii) have not been and are not expected to be paid from the proceeds of Senior Lien Obligations; (b) the Trustee's and the Paying Agent's fees and expenses; (c) the

costs incurred in connection with the administration of the Borrower, including but not limited to a share, determined by the Borrower in its reasonable discretion, of the salaries and benefits payable to employees of the Borrower; and (d) the fees and expenses of any engineer or financial consultant for services performed to comply with the provisions of this Agreement.

"Obligations" mean the Senior Lien Obligations and the Subordinate Lien Obligations.

"NEPA Determination" means the Record of Decision for the Project issued by FTA on _____, _____ in accordance with NEPA.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organizational Documents" means: (a) with respect to any Person that is a Governmental Authority, (i) the constitutional and statutory provisions that are the basis for the existence and authority of such Governmental Authority, including any enabling statutes, ordinances or public charters and any other organic laws establishing such Governmental Authority and (ii) the bylaws, code of regulations, operating procedures or other organizational documents of or adopted by such Governmental Authority by which such Governmental Authority, its powers, operations or procedures or its securities, bonds, notes or other obligations are governed or from which such powers are derived; and (b) with respect to a Person that is not a Governmental Authority, (i) to the extent such Person is a corporation, the certificate or articles of incorporation and the by-laws of such Person, (ii) to the extent such Person is a limited liability company, the certificate of formation or articles of formation or organization and operating or limited liability company agreement of such Person and (iii) to the extent such Person is a partnership, joint venture, trust or other form of business, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization or formation of such Person.

"Other Indebtedness Covenant Default" has the meaning provided in Section 20(a)(vi) (*Cross Default*).

"Other Indebtedness Misrepresentation Default" has the meaning provided in Section 20(a)(vi) (*Cross Default*).

"Other Loan Documents" has the meaning provided in Section 20(a)(vi) (*Cross Default*).

"Other Material Indebtedness" has the meaning provided in Section 20(a)(v) (*Acceleration of Senior Lien Obligations or Other Material Indebtedness*).

"Outstanding" when used with reference to Obligations other than the Senior Lien Obligations, means, as of any date of determination, all such obligations theretofore issued or incurred and not paid and discharged other than (i) obligations theretofore cancelled by a trustee or paying agent for such obligations or the holder of such obligations, (ii) obligations deemed paid and no longer Outstanding as provided in the document pursuant to which the obligations were issued, (iii) any obligations held by the Borrower and (iv) obligations in lieu of

which other obligations have been authenticated and delivered pursuant to the provisions of the document pursuant to which it was issued regarding transfer or exchange of the obligations or regarding mutilated, destroyed, lost or stolen obligations unless proof satisfactory to the Trustee has been received that any such obligations are held by a bona fide purchaser. When used with respect to Senior Lien Obligations, "Outstanding" shall have the meaning as set forth in the Master Debt Resolution.

"Outstanding RRIF Loan Balance" means the aggregate principal amount drawn by the Borrower and then outstanding (including capitalized interest) with respect to the RRIF Loan, as determined in accordance with Section 7 (*Outstanding RRIF Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule*).

"Parity Loan Agreement" means the Master Debt Resolution and any other contract, loan agreement or similar document entered into by the Borrower in connection with the incurrence of Additional Senior Lien Obligations incurred in addition to, in replacement of, in substitution for, or in connection with a refinancing of the indebtedness incurred pursuant to any Parity Loan Agreement.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and all regulations promulgated thereunder.

"Paying Agent" means Amegy Bank N.A. and its successors, a national banking association organized and existing under the laws of the United States of America, and its successors and assigns, as paying agent under the Fifteenth Supplemental Debt Resolution, or such other entity appointed as paying agent under the Fifteenth Supplemental Debt Resolution.

"Payment Date" means each Semi-Annual Payment Date or Interim Payment

"Payment Default" has the meaning provided in Section 20(a)(i) (*Payment Default*).

"Payment Period" means any period of six (6) months from (and including) a Semi-Annual Payment Date to (but excluding) the immediately succeeding Semi-Annual Payment Date, commencing _____, ____.

"Permitted Debt" means any bond, note, certificate, warrant, lease, contract or other financial obligation or security that is not secured, in whole or in part, by a lien on the Trust Estate, and the following obligations that are secured by a lien on the Trust Estate:

- (a) Senior Lien Obligations issued or incurred by the Borrower in accordance with Section 3.1 or 3.2 of the Master Debt Resolution, including specifically the RRIF Loan and the RRIF Bond;
- (b) Subordinate Lien Obligations issued or incurred by the Borrower in accordance with Section 3.3 or 3.4 of the Master Debt Resolution; and
- (c) indebtedness incurred in respect of Qualified Hedges.

"Permitted Hedging Termination" means the early termination, in whole or in part, of any Hedging Transaction (a) at the request of the Borrower as a result of a determination by the Borrower that such (or any part of such) Hedging Transaction is no longer necessary or required under the terms of this Agreement or (b) pursuant to the terms of any Hedging Agreement evidencing such Hedging Transaction with provides for the notional amount of such Hedging Transaction to amortize or otherwise be reduced from time to time.

"Permitted Investments" means with respect to the investment of amounts on deposit in the Senior Lien Debt Service Fund:

(a) Government Obligations;

(b) certificates of deposit where the certificates are collaterally secured by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by an agency of the Government;

(c) repurchase agreements when collateralized by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

(d) investment agreements or guaranteed investment contracts rated, or with any financial institution whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated, in one of the two (2) highest Rating Categories for comparable types of obligations by any Nationally Recognized Rating Agency; and

(e) money market funds that invest solely in obligations of the United States of America, its agencies and instrumentalities, and having a rating by a Nationally Recognized Rating Agency equal to the then applicable rating of the United States of America by such Nationally Recognized Rating Agency.

"Permitted Liens" means:

(a) Liens imposed pursuant to the RRIF Loan Documents;

(b) Liens imposed pursuant to the Master Debt Resolution;

(c) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 16(m);

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested

in compliance with Section 16(m);

(e) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, and other social security laws or regulations; deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(f) judgment liens in respect of judgments that do not constitute an Event of Default under Section 20(a)(vii);

(g) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower;

(h) any Lien on any property or asset of the Borrower existing on the Effective Date hereof; provided that (i) such Lien shall not apply to any other property or asset of the Borrower and (ii) such Lien shall secure only those obligations which it secures on the Effective Date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(i) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition, (ii) such Lien shall not apply to any other property or assets of the Borrower and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and

(j) purchase money security interests in real property, improvements thereto or equipment acquired on or after the Effective Date hereof (or, in the case of improvements, constructed) by the Borrower, provided that (i) such security interests secure indebtedness for borrowed money permitted by Section 17(a), (ii) such security interests are incurred, and the indebtedness secured thereby is created, within 90 days after such acquisition (or construction), (iii) the indebtedness secured thereby does not exceed the fair market value of such real property, improvements or equipment at the time of such acquisition (or construction) and (iv) such security interests do not apply to any other property or assets (other than accessions to such real property, improvements or equipment) of the Borrower.

"Person" means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

"Pledged Farebox Revenues" has the meaning assigned to such term in the Fifteenth Supplemental Debt Resolution.

"Pledged Revenues" means (i) Gross Sales Tax Revenues, (ii) Pledged Farebox Revenues, (iii) investment earnings credited to the Gross Sales Tax Revenue Fund, and (iv) any additional revenues legally available to the Borrower which the Board in its discretion, without further consideration from the RRIF Lender as the holder of the RRIF Bond, may hereafter pledge to the payment of the RRIF Bond, amounts due under the RRIF Loan Agreement or to the holders of any other indebtedness of the Borrower secured on a parity with the RRIF Bond; provided, however, that Pledged Revenues shall not include any amounts directly or indirectly received from the Government.

"Principal Corporate Trust Office" means (i) with respect to Amegy Bank N.A. as Trustee, under the Master Debt Resolution, Houston, Texas, or such other place in the United States as designated in writing to the RRIF Lender, and (ii) with respect to any successor trustee, registrar or paying agent, the principal office of its corporate trust department or such other place as designated in writing to the RRIF Lender.

"Principal Project Contracts" means the Construction Contract and any other contract entered into by the Borrower relating to the Project designated as a Principal Project Contract by the RRIF Lender and the Borrower, and any document that replaces or supplements any of the foregoing agreements.

"Principal Project Party" means the Construction Contractor and any other Person (other than the Borrower and the FTA) party to a Principal Project Contract.

"Project" means: _____; provided that for purposes of this Agreement, the "Project" does not include DFW Airport Terminal A, DFW Airport Terminal B or the Fort Worth Transportation Authority's TEX Rail facilities, each of which are separately funded.

"Project Budget" means the budget for the Project in the aggregate amount of \$[*insert Project budget amount*] attached to this Agreement as **Schedule I** showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs by SCC and the estimated sources and uses of funds for the Project, as amended from time to time with the approval of the RRIF Lender.

"Qualified Hedge" means, to the extent from time-to-time permitted by law, with respect to Senior Lien Obligations any Hedging Transaction entered into with a Qualified Hedge Provider and meeting the requirements of Section 16(m).

"Qualified Hedge Provider" means a financial institution whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated at the time of the execution of the Hedging Agreement at least as high as the second highest Rating Category of any Nationally Recognized Rating Agency then maintaining a rating for the Qualified Hedge Provider or of the entity serving as its guarantor.

"Projected Substantial Completion Date" means [*insert date*], as such date may be adjusted in accordance with Section 22(a)(iii)(B) (*Financial Plan*).

"Rating Category" means one of the generic rating categories of a Nationally Recognized Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

"Recovery Plan" has the meaning set forth in Section 20(a)(iii).

"Related Documents" means the RRIF Loan Documents, any Hedging Agreements and the Principal Project Contracts.

"Requisition" has the meaning provided in Section 4(a) (*Disbursement Conditions*).

"Resolution Event of Default" means an "Event of Default" as defined in the Master Debt Resolution.

"Revenue Service Commencement Date" means _____, 20__.

"RRIF" has the meaning provided in the recitals hereto

"RRIF Debt Service" means, solely with respect to the RRIF Bond, any Semi-Annual Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the Outstanding RRIF Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), in each case, (a) as set forth on **Exhibit G**, and (b) due and payable on such Semi-Annual Payment Date in accordance with the provisions of Section 9(c) (*Payment of RRIF Debt Service*).

"RRIF Interest Rate" has the meaning provided in Section 6 (*Interest Rate*).

"RRIF Lender" has the meaning provided in the preamble hereto.

"RRIF Lender's Authorized Representative" means the Executive Director and any other Person who shall be designated as such pursuant to Section 27 (*RRIF Lender's Authorized Representative*).

"RRIF Lien" means the right, pledge, charge, preference and priority with respect to the Trust Estate granted by the Borrower under the Master Debt Resolution to secure the RRIF Bond and the RRIF Loan, which grant may be made without physical delivery, filing or any other act.

"RRIF Loan" means the secured loan made by the RRIF Lender to the Borrower on the terms and conditions set forth herein, pursuant to the Act, in a principal amount not to exceed [\$908,000,000] (excluding capitalized interest), to be used in respect of Eligible Project Costs paid or incurred by or on behalf of the Borrower.

"**RRIF Loan Documents**" means this Agreement, the RRIF Bond and the Master Debt Resolution.

"**Sales Tax**" means the one-percent (1%) local sales and use tax authorized by the DART Act and other Applicable Law on taxable items and transactions, and confirmed and levied, by DART within its boundaries, and required to be levied within any expanded areas included within DART pursuant to the DART Act, together with any increases in the rate if provided and authorized by amendment to the DART Act.

"**SCC**" means Standard Cost Categories implemented by the FTA.

"**Secretary**" means the United States Secretary of Transportation.

"**Semi-Annual Payment Date**" means each June 1 and December 1 or if such day is not a Business Day, then the Business Day following such June 1 or December 1.

"**Senior Lien Obligations**" means (i) all Senior Lien Obligations listed in **Schedule III** hereto issued prior to the Effective Date, (ii) the RRIF Bond, (iii) any Additional Senior Lien Obligations issued under Section 3.1 or 3.2 of the Master Debt Resolution and Section 17(a) (*Indebtedness*), (iv) any other Obligations payable from all or a portion of the Pledged Revenues and having a lien on the Pledged Revenues which is equal to or on a parity with this Agreement and the RRIF Bond, and (v) each Credit Agreement Obligation that is declared in the Master Debt Resolution or in a Supplemental Debt Resolution to be a "Senior Lien Obligation."

"**Senior Subordinate Lien Obligations**" has the meaning assigned to such term in the Master Debt Resolution.

"**Series**" whenever used herein with respect to Obligations, means all of the Obligations designated as being of the same series, authenticated and delivered in a simultaneous transaction regardless of variations in maturity, interest rate, redemption and other provisions, and any Obligations thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Obligations as provided in the Master Debt Resolution.

"**Servicer**" means such entity or entities as the RRIF Lender shall designate from time-to-time to perform, or assist the RRIF Lender in performing, certain duties hereunder.

"**State**" means the State of Texas.

"**Subordinate Lien Obligations**" mean any and all Senior Subordinate Lien Obligations and any and all Junior Subordinate Lien Obligations.

"**Subsequent Qualified Hedge**" has the meaning set forth in Section 16(m)(iii).

"**Substantial Completion**" means the opening of the Project to passenger traffic.

"**Substantial Completion Date**" means the date on which Substantial Completion occurs.

"Supplemental Debt Resolution" means any resolution of the Board adopted that supplements the Master Debt Resolution for (i) the purpose of authorizing and providing the terms and provisions of Obligations, or (ii) any of the other purposes permitted by the Master Debt Resolution.

"System" means the public transportation system of DART, including complementary transportation services, and all of the properties and assets of DART that are defined in and permitted by the DART Act, whether owned or operated by DART directly or provided for or on behalf of DART by others pursuant to contracts executed for such purposes as provided in the DART Act.

"Total Project Costs" means (a) the costs paid or incurred or to be paid or incurred by the Borrower in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance, and costs of issuance; (b) amounts, if any, required by the Master Debt Resolution or the RRIF Loan Documents to be paid into any fund or account upon the incurrence of the RRIF Loan or any Obligations; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) during the Construction Period in respect of any indebtedness of the Borrower or any Credit Enhancement maintained by the Borrower, in each case in connection with the Project (other than the RRIF Loan); and (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the Project, including general administrative expenses and overhead of the Borrower.

"Trustee" means Amegy Bank N.A. and its successors, a national banking association organized and existing under the laws of the United States of America, and its successors and assigns, as trustee under the Master Debt Resolution, or such other entity appointed as trustee under the Master Debt Resolution.

"Trust Estate" means the items identified in Section 2.3 of the Master Debt Resolution, and includes, but is not limited to, Pledged Revenues.

"Uncontrollable Force" means any cause beyond the control of the Borrower, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God (provided that the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the Borrower does not control the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower.

"Uniform Commercial Code" or **"UCC"** means the Uniform Commercial Code, as in effect from time to time in the State.

"USDOT" means the United States Department of Transportation.

"**Variable Interest Rate**" means a variable interest rate to be borne by any Senior Lien Obligations. The method of computing the applicable variable interest rate shall be specified in a Supplemental Debt Resolution pursuant to which such Senior Lien Obligations are issued. Such Supplemental Debt Resolution shall also specify either (a) the particular period or periods of time for which each value of such variable interest rate shall remain in effect, or (b) the time or times upon which any change in such variable interest rate shall become effective.

"**Variable Interest Rate Parity Obligations**" means any Senior Lien Obligations that accrue interest at a Variable Interest Rate.

Section 2. Interpretation. Unless the context shall otherwise require, the words "hereto", "herein", "hereof", and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." Whenever the Borrower's knowledge is implicated in this Agreement or the phrase "to the Borrower's knowledge" or a similar phrase is used in this Agreement, the Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower's knowledge. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person's successors and permitted assigns. Unless the context shall otherwise require, references to preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the applicable preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of this Agreement. The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement. The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time-to-time in accordance with the terms thereof and hereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 37 (*Notices; Payment Instructions*) and signed by a duly authorized representative of such party.

Section 3. RRIF Loan Amount. The principal amount of the RRIF Loan shall not exceed \$[908,000,000]. RRIF Loan proceeds shall be disbursed from time-to-time in accordance with Section 4 (*Disbursement Conditions*) and Section 13(b) (*Conditions Precedent to All Disbursements*).

Section 4. Disbursement Conditions. (a) RRIF Loan proceeds shall be disbursed solely to pay directly for, or to reimburse the Borrower for, the prior payment of, Eligible Project Costs incurred in connection with the Project. Each disbursement of the RRIF Loan shall be made pursuant to a requisition and certification (a "**Requisition**") in the form set forth in

Appendix One to Exhibit D, along with all documentation and other information required thereby, submitted by the Borrower to, and approved by, the RRIF Lender, all in accordance with the procedures of **Exhibit D** and subject to the requirements of this Section 4 (*Disbursement Conditions*) and the conditions set forth in Section 13(b) (*Conditions Precedent to All Disbursements*); provided, however, that no disbursements of RRIF Loan proceeds shall be made on or after the date that is one (1) year after the Substantial Completion Date.

(b) The Borrower shall deliver copies of each Requisition to the RRIF Lender, the FTA Regional Office and the Servicer (if any) on or before the first (1st) Business Day of each month for which a disbursement is requested. If the RRIF Lender shall expressly approve a Requisition or shall not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15th) day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such fifteenth (15th) day is not a Business Day. Express RRIF Lender approval or denial shall be substantially in the form annexed hereto as **Appendix Three to Exhibit D**. In no event shall disbursements be made more than once each month. At the time of any disbursement, the sum of all prior disbursements of RRIF Loan proceeds and the disbursement then to be made shall not exceed the cumulative disbursements through the end of the then-current year set forth in the Anticipated RRIF Loan Disbursement Schedule, as the same may be amended from time-to-time.

(c) The Borrower may amend the Anticipated RRIF Loan Disbursement Schedule by submitting revisions to the RRIF Lender and the FTA's Regional Office no later than thirty days prior to the proposed effective date thereof, a revised Anticipated RRIF Loan Disbursement Schedule, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated RRIF Loan Disbursement Schedule shall become effective upon the RRIF Lender's approval thereof, which approval shall not be unreasonably withheld.

Section 5. Term. The term of the RRIF Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier or later date as all amounts due or to become due to the RRIF Lender hereunder have been irrevocably paid in full in cash.

Section 6. Interest Rate. The interest rate with respect to the Outstanding RRIF Loan Balance (the "**RRIF Interest Rate**") shall be [___] percent ([___]%) per annum. Interest will be computed on the Outstanding RRIF Loan Balance (as well as on any past due interest) from time-to-time on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed and will be compounded semi-annually; provided, however, in the event of a Payment Default, the Borrower shall pay interest on any overdue amount from (and including) its due date to (but excluding) the date of actual payment at the Default Rate. Upon the occurrence of an Event of Default described in Section 20(a)(iii) (*Development Default*) or Section 20(a)(x) (*Project Abandonment*), the interest rate on the Outstanding RRIF Loan Balance shall be the Default Rate and the RRIF Loan shall continue to bear interest at such rate until, (a) with respect to an Event of Default described in Section 20(a)(iii) (*Development Default*), such Development Default has been cured, or (b) with respect to an Event of Default described in Section 20(a)(x) (*Project Abandonment*), the Outstanding RRIF Loan Balance has been irrevocably paid in full in cash.

Section 7. Outstanding RRIF Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule.

(a) The Outstanding RRIF Loan Balance will be (i) increased on each occasion on which the RRIF Lender disburses loan proceeds hereunder, by the amount of such disbursement of loan proceeds; (ii) increased on each occasion on which interest on the RRIF Loan is capitalized pursuant to the provisions of Section 9(b) (*Capitalized Interest Period*), by the amount of interest so capitalized; and (iii) decreased upon each payment or prepayment of the Outstanding RRIF Loan Balance, by the amount of principal so paid. The RRIF Lender may in its discretion at any time and from time-to-time, or when so requested by the Borrower, advise the Borrower by written notice of the amount of the Outstanding RRIF Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error.

(b) The RRIF Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit G** from time-to-time, in accordance with the principles set forth below in this clause (b), to reflect (i) any change to the Outstanding RRIF Loan Balance, (ii) any change to the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under this Agreement, and (iii) such other information as the RRIF Lender may determine is necessary for administering the RRIF Loan and this Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any partial prepayments of the Outstanding RRIF Loan Balance pursuant to Section 10 (*Prepayment*) shall be applied in accordance with Section 10(b) (*General Prepayment Instructions*). Any adjustments or revisions to the Loan Amortization Schedule as a result of changes in the Outstanding RRIF Loan Balance other than prepayments shall be applied to reduce future payments due on the RRIF Bond in inverse order of maturity. Absent manifest error, the RRIF Lender's determination of such matters as set forth on **Exhibit G** shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other RRIF Loan Document. The RRIF Lender shall provide the Borrower with a copy of **Exhibit G** as revised, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other RRIF Loan Documents.

Section 8. Security and Priority; Flow of Funds.

(a) The RRIF Bond issued by the Borrower to evidence amounts due under this Agreement shall be issued and treated as a Senior Lien Obligation within the meaning of the Master Debt Resolution, secured on a parity thereunder with the other Senior Lien Obligations. As security for the RRIF Bond, the Borrower shall pledge, assign and grant, or shall cause to be pledged, assigned and granted, to the RRIF Lender, a first priority Lien on the Trust Estate on a parity with the other Senior Lien Obligations in accordance with the provisions hereof and of the Master Debt Resolution.

(b) Except with respect to Senior Lien Obligations, the items pledged in said paragraph (a) are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Master Debt Resolution and all corporate action on the part of the Borrower to that end has been duly and validly taken.

(c) The flow of funds established by the Master Debt Resolution shall control the application of the Pledged Revenues and the application and use of the Funds and accounts

created under the Master Debt Resolution. The Master Debt Resolution provides that all Gross Sales Tax Revenues shall, subject to Section 7.4 thereof upon the occurrence of a Resolution Event of Default, be applied substantially in the order of priority as more fully described and in accordance with the requirements specified in Section 5.3(a) of the Master Debt Resolution, a copy of the current form of which is attached hereto as **Exhibit H**; provided, however, that in the event that the Master Debt Resolution is amended pursuant to the terms of the Master Debt Resolution and this Agreement in any way that alters such flow of funds or order of priority, a copy of such amended provisions shall be attached to **Exhibit H** hereto.

(d) The payment of the Senior Lien Obligations, including the RRIF Bond, and the amounts due under this Agreement, shall not be secured by any encumbrance, mortgage, or other pledge of property of the Borrower, other than the Trust Estate. No property of the Borrower, other than Trust Estate, shall be liable to be forfeited or taken in payment of the Senior Lien Obligations, including the RRIF Bond, and the amounts due under this Agreement. The RRIF Bond and the amounts due under this Agreement shall not in any way create or constitute any indebtedness, liability, or obligation of the State or of any political subdivision thereof, except the Borrower, and nothing in this Agreement shall be construed to authorize the Borrower to incur any indebtedness on behalf of or in any way to obligate the State or any political subdivision thereof, except the Borrower. Neither the members of the Board nor any persons executing the RRIF Bond or this Agreement shall be liable personally on the RRIF Bond by reason of the issuance thereof.

(e) Amounts on deposit in the Senior Debt Service Fund shall be held uninvested or invested, at the written instruction of the Borrower, in Permitted Investments. Any investments shall mature or be redeemable at the election of the holder on or prior to the related Payment Date in amounts sufficient to make such payment.

(g) The Borrower shall not use Pledged Revenues to make any payments or satisfy any obligations other than in accordance with the provisions of this Section 8, the Master Debt Resolution and this Agreement and shall not apply any portion of the Pledged Revenues in contravention of this Agreement and the Master Debt Resolution.

Section 9. Payment of Principal and Interest.

(a) Payment Dates. The Borrower agrees to pay, and shall cause the Trustee to pay, solely from Pledged Revenues, the principal of and interest on the RRIF Loan by making payments on the RRIF Bond in accordance with the provisions of this Agreement, the RRIF Bond, and the Master Debt Resolution on each Semi-Annual Payment Date, beginning on the Debt Service Payment Commencement Date, and on each other date on which payment thereof is required to be made hereunder (including, without limitation, the Final Maturity Date and any date on which payment thereof is due by reason of the mandatory prepayment and redemption, or acceleration of the maturity of the RRIF Loan or otherwise); provided that if any such date is not a Business Day, payment shall be made on the next Business Day following such date. Any payment of the RRIF Bond shall be treated as a payment of the RRIF Loan and any prepayment of principal of the RRIF Loan shall be treated as a redemption of the RRIF Bond.

(b) Capitalized Interest Period. No payment of the principal of or interest on the RRIF Loan is required to be made during the Capitalized Interest Period. On each June 1 and December 1 occurring during the Capitalized Interest Period, interest accrued on the RRIF Loan in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding RRIF Loan Balance. Within thirty (30) days after the end of the Capitalized Interest Period, the RRIF Lender shall give written notice to the Borrower stating the Outstanding RRIF Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other RRIF Loan Documents.

(c) Payment of RRIF Debt Service. On each Semi-Annual Payment Date occurring on or after the Debt Service Payment Commencement Date, the Borrower shall pay, or cause the Trustee to pay, solely from Pledged Revenues, RRIF Debt Service in the amounts set forth in respect of such Semi-Annual Payment Date on **Exhibit G**, as the same may be revised as provided in Section 7 (*Outstanding RRIF Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule*), which payments shall be made in accordance with Section 9(d) (*Manner of Payment*).

(d) Manner of Payment. Payments under this Agreement and the RRIF Bond shall be made by wire transfer on or before each Semi-Annual Payment Date in immediately available funds in accordance with payment instructions provided by the RRIF Lender pursuant to Section 37 (*Notices; Payment Instructions*), as modified in writing from time-to-time by the RRIF Lender.

(e) Final Maturity Date. Notwithstanding anything herein to the contrary, the Outstanding RRIF Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date (or on any earlier date on which the maturity of the RRIF Loan shall be accelerated pursuant to the provisions of Section 20 (*Events of Default and Remedies*)).

(f) RRIF Bond; Adjustments to Loan Amortization Schedule. As evidence of the Borrower's obligation to repay the RRIF Loan, the Borrower shall issue and deliver to the RRIF Lender, on or prior to the Effective Date, the RRIF Bond substantially in the form of **Exhibit A**, having a maximum principal amount (excluding capitalized interest) of \$[908,000,000] (subject to increase or decrease as herein provided) and bearing interest at the rate set forth in Section 6 (*Interest Rate*). The RRIF Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit G** from time to time in accordance with Section 7 (*Outstanding RRIF Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule*) to reflect (i) the amount of each disbursement made under this Agreement, (ii) the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under this Agreement, (iii) each repayment or prepayment in respect of the principal amount of the RRIF Loan and (iv) such other information as the RRIF Lender may determine is necessary for administering the RRIF Loan and this Agreement. Unless otherwise agreed at the time of a prepayment, each prepayment of principal shall be applied as set forth in Section 10(b) (*General Prepayment Instructions*). Absent manifest error, the RRIF Lender's determination of such matters as set forth on **Exhibit G** shall be conclusive evidence thereof; provided, however, that neither the failure to

make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other RRIF Loan Document.

(g) Payment Obligations Limited to Pledged Revenues. Notwithstanding anything herein to the contrary, all obligations of the Borrower to pay RRIF Debt Service or to make any other payments hereunder shall be limited in all cases to Pledged Revenues available under the Master Debt Resolution.

Section 10. Prepayment.

(a) Optional Prepayments. The Borrower may prepay the RRIF Loan by causing the Trustee to optionally redeem the RRIF Bond in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof), at any time or from time-to-time, without penalty or premium, by paying to the RRIF Lender such principal amount of the RRIF Loan (as evidenced by the RRIF Bond) to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment. Each prepayment of the RRIF Loan (as evidenced by the RRIF Bond) shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the RRIF Lender. In the case of any optional prepayment, such written notice shall be delivered to the RRIF Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment, unless otherwise agreed by the RRIF Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the RRIF Lender. Anything in this Section 10(a) (*Optional Prepayments*) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement.

(b) General Prepayment Instructions. Upon the RRIF Lender's receipt of confirmation that payment in full of the entire Outstanding RRIF Loan Balance and any unpaid interest and fees with respect thereto has occurred as a result of a mandatory or optional prepayment, the RRIF Lender shall surrender the RRIF Bond to the Borrower or its representative at the principal office of the RRIF Lender. If the Borrower prepays only part of the unpaid balance of principal of such RRIF Bond, the RRIF Lender may make a notation on **Exhibit G** indicating the amount of principal of and interest on such RRIF Bond then being prepaid. Absent manifest error, the RRIF Lender's determination of such matters as set forth on **Exhibit G** shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other RRIF Loan Document. All such partial prepayments of principal shall be applied to reduce future payments due on the RRIF Bond [in inverse order of maturity]. If said monies shall not have been so paid on the prepayment date, such principal amount of such RRIF Bond shall continue to bear interest until payment thereof at the rate provided for in Section 6 (*Interest Rate*).

Section 11. Reserved.

Section 12. Compliance with Laws. The Borrower agrees to comply with all applicable federal and State laws. The Borrower further agrees to require its contractors and subcontractors at all tiers for the Project to comply with all applicable federal and State laws in respect of the Project. The FTA Regional Office has oversight responsibility for ensuring compliance with all applicable provisions of federal transportation law and for project oversight activities for the Project, including compliance with the terms of the FTA Compliance Agreement. The Borrower agrees to cooperate with the FTA Regional Office, its agents and representatives in carrying out their duties under this Agreement and the FTA Master Agreement. If the Borrower fails to obtain all state and federal permits required for construction or operation of the Project or otherwise fail to comply with the foregoing provisions of this Section 12, the Borrower shall assume the risk of any loss associated therewith. The Borrower acknowledges and agrees that any costs incurred in connection with the Project prior to receipt of all necessary authorizations from the USDOT in respect of such costs (which may include approvals of prior-incurred costs) are incurred solely at the Borrower's risk and expense, will not constitute Eligible Project Costs, and no RRIF Loan proceeds will be disbursed in respect thereof.

Section 13. Conditions Precedent.

(a) **Conditions Precedent to Effectiveness.** Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective and the RRIF Lender shall have no obligation to disburse any loan proceeds to the Borrower until each of the following conditions precedent shall have been satisfied or waived in writing by the RRIF Lender:

(i) The Borrower shall have duly executed and delivered to the RRIF Lender this Agreement and the RRIF Bond, each in form and substance satisfactory to the RRIF Lender.

(ii) The Borrower shall have delivered to the RRIF Lender a certified copy of the Fifteenth Supplemental Debt Resolution in form and substance satisfactory to the RRIF Lender.

(iii) The Borrower shall have delivered the necessary certificates required by Section 3.2 of the Master Debt Resolution evidencing the satisfaction of the tests thereunder for the RRIF Bond to be issued as an Additional Senior Lien Obligation.

(iv) Counsel to the Borrower shall have rendered to the RRIF Lender legal opinions satisfactory to the RRIF Lender in its sole discretion (including those opinions set forth on **Exhibit H-1**) and bond counsel to the Borrower shall have rendered to the RRIF Lender legal opinions satisfactory to the RRIF Lender in its sole discretion (including those opinions set forth on **Exhibit H-2**).

(v) The Borrower shall have provided a certificate from the Borrower's Authorized Representative as to the absence of debarment, suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters substantially in the form attached hereto as **Exhibit C** with respect to the Borrower and its principals (as defined in 2 C.F.R. § 180.995).

(vi) The Borrower shall have provided evidence to the RRIF Lender's satisfaction that the Project is included in the metropolitan transportation improvement program for the NCTCOG and in the State's long range transportation plan and the State transportation improvement program approved by FHWA and FTA.

(vii) The Borrower shall have provided evidence to the RRIF Lender's satisfaction, no more than thirty (30), but no less than fourteen (14) days prior to the Effective Date or such other date as deemed acceptable by the RRIF Lender, of the assignment by at least two (2) Nationally Recognized Rating Agencies of ratings of "___" on the RRIF Loan (as evidenced by the RRIF Bond).

(viii) The Borrower shall have delivered to the RRIF Lender a certificate from the Borrower's Authorized Representative in the form attached hereto as **Exhibit K** (A) as to the satisfaction of certain conditions precedent set forth in this Section 13(a) (*Conditions Precedent to Effectiveness*) as required by the RRIF Lender, (B) designating the Borrower's Authorized Representative, and (C) confirming such person's position and incumbency.

(ix) The Borrower shall have demonstrated to the RRIF Lender's satisfaction that as of the Effective Date the aggregate of all committed sources of funds shown in the Base Case Financial Model and in the Project Budget to pay Total Project Costs shall be sufficient to pay all Total Project Costs necessary to achieve Substantial Completion.

(x) The Borrower shall have provided to the RRIF Lender certified, complete, and fully executed copies of the Principal Project Contracts to which it is a party, together with any amendments, waivers or modifications thereto, in each case that has been entered into on or prior to the Effective Date and each such agreement shall be in full force and effect and in form and substance satisfactory to the RRIF Lender.

(xi) The Borrower shall have demonstrated to the RRIF Lender's satisfaction that the Borrower has obtained all Governmental Approvals necessary to commence construction of the Project and that all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation).

(xii) The Borrower shall have delivered to the RRIF Lender a certified Base Case Financial Model on or prior to the Effective Date, which Base Case Financial Model shall demonstrate that projected Gross Sales Tax Revenues are sufficient to meet the Loan Amortization Schedule, and otherwise be in form and substance acceptable to the RRIF Lender.

(xiii) The Borrower shall have paid in full all invoices delivered by the RRIF Lender to the Borrower as of the Effective Date for the reasonable fees and expenses of the RRIF Lender's counsel and financial advisors and any auditors or other consultants employed by the RRIF Lender for the purposes hereof (such reasonableness to be determined in accordance with Part 31 of the Federal Acquisition Regulation).

(xiv) The Borrower shall have provided evidence satisfactory to the RRIF Lender of compliance by the Borrower with NEPA.

(xv) The RRIF Lender shall have delivered its initial RRIF Lender's Authorized Representative certificate.

(xvi) The Borrower shall have (A) obtained a Federal Employer Identification Number, (B) obtained a Data Universal Numbering System number, and (C) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov).

(xvii) The Borrower shall have delivered to the RRIF Lender (a) certificates of insurance evidencing that the Borrower and each applicable Principal Project Party have obtained insurance with respect to the Project that meets the requirements of Section 16(f) (*Insurance*).

(xviii) The Borrower shall have provided to the RRIF Lender evidence that the Borrower is duly organized and validly existing under the laws of its jurisdiction of formation, with full power, authority and legal right to own its properties and carry on its business and governmental functions as now conducted, including the following documents, each certified by the Borrower's Authorized Representative: (A) a copy of its Organizational Documents, as in effect on the Effective Date (and certified by the Secretary of the State or the state of its formation, to the extent applicable), which Organizational Documents shall be in full force and effect and shall not have been amended since the date of the last amendment thereto shown on the certificate, (B) a copy of all resolutions authorizing the Borrower to execute and deliver, and to perform its respective obligations under, the RRIF Loan Documents to which it is a party, and such resolutions have not been subsequently modified, rescinded or amended, are in full force and effect in the form adopted, and are the only resolutions adopted by the Borrower relating to the matters described therein, and (C) a copy of such further instruments and documents as are necessary, appropriate or advisable to effectuate the foregoing resolutions and to consummate and implement the transactions contemplated by such resolutions and the RRIF Loan Documents.

(xix) The Borrower shall have provided the RRIF Lender records of the Eligible Project Costs incurred prior to the Effective Date, in form and substance satisfactory to the RRIF Lender and in sufficient time prior to the Effective Date to permit the RRIF Lender and the FTA Regional Office to review such costs.

(xx) The Borrower shall have provided to the RRIF Lender certified, complete and fully executed copies of each performance security instrument delivered to or by the Borrower pursuant to any Principal Project Contract as of the Effective Date, each of which shall be (A) in compliance with the requirements for such performance security pursuant to the applicable Principal Project Contract, and (B) in full force and effect.

(xxi) The representations and warranties of the Borrower set forth in this Agreement (including Section 14 (*Representations and Warranties of Borrower*)) and shall

be true and correct, as of the Effective Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(xxii) The Borrower shall have delivered to the RRIF Lender a duly executed certificate from the Trustee in the form attached hereto as **Exhibit J**.

(xxiii) The Borrower shall have provided a certificate from the Borrower's Authorized Representative as to the prohibition on the use of appropriated funds for lobbying substantially in the form attached hereto as **Exhibit M** in accordance with 49 C.F.R. §20.100(b).

(xxiv) The Borrower shall have delivered such other agreements, documents, instruments, opinions (including, but not limited to, an opinion of the Attorney General of the State) and other items required by the RRIF Lender, all in form and substance satisfactory to the RRIF Lender, including evidence that all other Project funding requirements have been met (including evidence of other funding sources or funding commitments).

(b) Conditions Precedent to All Disbursements. Notwithstanding anything in this Agreement to the contrary, the RRIF Lender shall have no obligation to make any disbursement of loan proceeds to the Borrower until each of the following conditions precedent has been satisfied or waived in writing by the RRIF Lender:

(i) With respect to any disbursement occurring sixty (60) days or more after the Effective Date, the Borrower shall have provided the Financial Plan, or the most recent update thereto, in each case in accordance with Section 22(a) (*Financial Plan*).

(ii) To the extent not previously delivered to the RRIF Lender, the Borrower shall have provided certified copies of all Principal Project Contracts and all Additional Project Contracts requested by the RRIF Lender pursuant to Section 16(b) (*Copies of Documents*) or Section 17(e) (*Additional Project Contracts*) (including, in each case, any amendment, modification or supplement thereto) entered into after the Effective Date.

(iii) The Borrower shall have demonstrated to the RRIF Lender's satisfaction that all Governmental Approvals necessary as of the time of the applicable disbursement for the development, construction, operation and maintenance of the Project have been issued and are in full force and effect.

(iv) Each of the insurance policies obtained by the Borrower and by any applicable Principal Project Party in satisfaction of the conditions in Section 13(a)(xvii) (*Conditions Precedent to Effectiveness*) is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

(v) At the time of, and immediately after giving effect to, any disbursement of RRIF Loan proceeds then currently requested, (A) no Event of Default hereunder or event of default under any other Related Document and (B) no event that,

with the giving of notice or the passage of time or both, would constitute an Event of Default hereunder or event of default under any other Related Document, in each case, shall have occurred and be continuing.

(vi) To the extent necessary to make the corresponding representations and warranties true, correct and complete as of the date of any disbursement of loan proceeds hereunder, the Borrower shall have delivered an updated version of **Schedule 14(u)**, in form and substance satisfactory to the RRIF Lender in its sole discretion.

(vii) The representations and warranties of the Borrower set forth in this Agreement (including Section 14 (*Representations and Warranties of Borrower*)) and in each other Related Document shall be true, correct, and complete as of each date on which any disbursement of the RRIF Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(viii) No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred and be continuing since the date the Borrower submitted the Application to the RRIF Lender.

(ix) The Borrower shall have delivered to the RRIF Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions*), and the RRIF Lender shall have approved (or be deemed to have approved in accordance with Section 4(b) (*Disbursement Conditions*)) such Requisition.

(x) The Borrower shall have paid in full all invoices received from the RRIF Lender as of the date of disbursement of the RRIF Loan, for the reasonable fees and expenses of the RRIF Lender's counsel and financial advisors and any auditors or other consultants employed by the RRIF Lender for the purposes hereof (such reasonableness to be determined in accordance with Part 31 of the Federal Acquisition Regulation).

(xi) To the extent not previously delivered to the RRIF Lender, the Borrower shall have provided to the RRIF Lender certified, complete and fully executed copies of each performance security instrument delivered to or by the Borrower pursuant to any Principal Project Contract as of the date of disbursement of the RRIF Loan, each of which performance security instruments shall be (A) in compliance with the requirements for such performance security pursuant to the applicable Principal Project Contract, and (B) in full force and effect.

(xii) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the RRIF Lender, all in form and substance satisfactory to the RRIF Lender.

Section 14. Representations and Warranties of Borrower. The Borrower hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in Section 14(b) (*Officer's Authorization*) and

Section 14(l) (*Credit Ratings*), as of each date on which any disbursement of the RRIF Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a regional transportation authority, public body corporate and politic duly organized and validly existing under the laws of the State, has full legal right, power and authority to enter into the RRIF Loan Documents, to execute and deliver the RRIF Bond, and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of the RRIF Loan Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of the Borrower executing (or that previously executed) the RRIF Loan Documents, and any certifications or instruments related thereto, to which the Borrower is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the RRIF Loan Documents in effect as of any date on which this representation and warranty is made, and to which the Borrower is a party, has been duly authorized, executed and delivered by the Borrower and constitutes the legal, valid and binding agreement of the Borrower enforceable in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the RRIF Loan Documents to which the Borrower is a party, the consummation of the transactions contemplated in the RRIF Loan Documents and the fulfillment of or compliance with the terms and conditions of the RRIF Loan Documents will not (i) conflict with the Borrower's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower other than the Permitted Liens.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any indebtedness of the Borrower or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority required as of the date hereof is necessary in connection with (i) the execution and delivery by the Borrower of the RRIF Loan Documents, (ii) (A) the consummation of any transaction contemplated by the RRIF Loan Documents or (B) the fulfillment of or compliance by the Borrower with the terms and conditions of the RRIF Loan Documents, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. As of the Effective Date, except as set forth in **Schedule 14(f)**, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of the Borrower after reasonable inquiry and investigation, threatened against or affecting the Gross Sales Tax Revenues, the Project or the ability of the Borrower to execute, deliver and perform its obligations under the RRIF Loan Documents. As of the Effective Date and as of each other date on which the representations and warranties herein are made or confirmed, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower after reasonable inquiry and investigation, threatened against or affecting the Gross Sales Tax Revenues, the Project, the Borrower or the assets, properties or operations of the Borrower, that in any case could reasonably be expected to result in a Material Adverse Effect. To the Borrower's knowledge, there are no actions of the type described above pending, threatened against, or affecting any of the Principal Project Parties, except for matters arising after the Effective Date, that could not reasonably be expected to result in a Material Adverse Effect. The Borrower is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. This Agreement and Master Debt Resolution establishes for the RRIF Lender, as owner of the RRIF Bond and the RRIF Loan, a valid and perfected senior parity lien on the Trust Estate, which it purports to create; such lien is in full force and effect and is not subordinate or junior to any other lien with respect to the Trust Estate except to the extent entitled to priority as a matter of law, and the Borrower is not in breach of any covenants set forth in this Agreement with respect thereto. The Borrower has duly and lawfully taken all actions required under this Agreement, the Master Debt Resolution, and applicable laws for the pledge of the Trust Estate pursuant to and in accordance with the Master Debt Resolution. The Borrower is not in breach of any covenants set forth in Section 16(a) (*Securing Liens*) or in the Master Debt Resolution with respect to the matters described in such Section or document. The RRIF Lien is valid and effective and enforceable under State law without any further action by the Borrower or any other party, and no documents or instruments are required or necessary to be recorded or filed for record in any place to establish the validity, effectiveness or enforceability of the RRIF Lien to the extent contemplated by the Master Debt Resolution.

(h) No Debarment. The Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the Borrower nor any of its principals (as defined in 2 C.F.R. § 180.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered pursuant to Section 13(a)(iv) (*Conditions Precedent to Effectiveness*).

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower set forth in this Agreement and all information provided by the Borrower to the RRIF Lender when taken as a whole and after giving effect to any updates, remain true and accurate.

(j) Compliance with Federal Requirements. The Borrower has complied with all applicable requirements of NEPA with respect to the Project, and true and accurate copies of the Finding of No Significant Impact (FONSI) has been provided to the RRIF Lender.

(k) Transportation Improvement Program. The Project has been included in the metropolitan transportation improvement program for the NCTCOG, in the State transportation plan and the approved State transportation improvement program to the extent required by 23 U.S.C. § 602(a)(1).

(l) Credit Ratings. The RRIF Loan has received a public Investment Grade Rating from at least two (2) Nationally Recognized Rating Agencies and written evidence of such ratings has been provided to the RRIF Lender prior to the Effective Date, and to the knowledge of the Borrower, no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(m) No Defaults. The Borrower is not in default in any material respect under the terms hereof or the Master Debt Resolution and no event has occurred or condition exists that, with the giving of notice or the passage of time or both, would constitute an Event of Default.

(n) Governmental Approvals. All Governmental Approvals required as of the Effective Date and any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the Borrower of the Project, and for the operation and management thereof, have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of any such Governmental Approval.

(o) Principal Project Contracts. The Borrower has delivered to the RRIF Lender a fully executed, complete, and correct copy of each Principal Project Contract, and each Additional Project Contract required to be delivered to, or requested by, the RRIF Lender pursuant to Section 16(b) (*Copies of Documents*) (including, in each case, all exhibits, schedules and other attachments) that is in effect, including any amendments or modifications thereto and any related credit support instruments or side letters. No event has occurred that gives the Borrower or, to the Borrower's knowledge, any Principal Project Party, the right to terminate any Principal Project Contract. The Borrower is not in breach of any material term in or in default under any Principal Project Contract, and to the knowledge of the Borrower, no party to any Principal Project Contract is in breach of any material term therein or in default thereunder.

(p) Information. The information furnished by the Borrower to the RRIF Lender, when taken as a whole, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading as of the date made or furnished; provided that no representation or warranty is made with regard to projections or other forward-looking statements provided by or on behalf of the Borrower (including the Base Case Financial Model, any Revised Financial Model, and the assumptions therein) except that the assumptions in the Base Case Financial Model and any Revised Financial Model were reasonable in all material respects when made.

(q) OFAC; Anti-Corruption Laws. None of the Borrower, nor, to the knowledge of the Borrower, any Principal Project Party:

(i) is in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (A) any applicable anti-money laundering laws, including those contained in the Bank Secrecy Act and the Patriot Act; (B) any applicable economic sanction laws administered by OFAC or by the United States Department of State; or (C) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal; or

(ii) is a Person (A) that is charged with, or has received notice from a Governmental Authority that it is under investigation for, any violation of any such laws; (B) that has been, since the date that is five (5) years prior to the Effective Date, convicted of any violation of, has been subject to criminal or civil penalties pursuant to, had any of its property seized or forfeited under, or has entered into any agreement with the Government or a state or local government related to violations of any such laws; (C) that is named on the list of "Special Designated Nationals and Blocked Persons" maintained by OFAC (or any successor Government office or list), or any similar list maintained by the United States Department of State (or any successor Government office or list); (D) with whom any U.S. Person (as defined by the applicable OFAC regulations) is prohibited from transacting business of the type contemplated by this Agreement and the other Related Documents under any other applicable law; or (E) with respect to a Principal Project Party, that is owned (other than any Person beneficially owning or holding five percent (5%) or less of the equity interests of such Principal Project Party), Controlled by, or affiliated with any Person identified in clause (A), (B), (C) or (D) of this clause (ii).

(r) Compliance with Laws. The Borrower is in compliance in all material respects with, and has conducted (or caused to be conducted) its government functions, public transit operations and the implementation of the Project in compliance in all material respects with, all applicable laws (other than Environmental Laws, which are addressed in Section 14(s) (*Environmental Matters*)), including those set forth in **Exhibit E** and the FTA Compliance Agreement. To the Borrower's knowledge, each Principal Project Party is, and has caused its respective contractors and subcontractors to be, in compliance in all material respects with all applicable laws in respect of the Project, including those set forth in **Exhibit E** and the FTA Compliance Agreement that flow down to third-party contractors. No notices of violation of any applicable law have been issued, entered or received by the Borrower or, to the Borrower's knowledge and solely in respect of the Project or any Principal Project Contract, any Principal Project Party, other than, in each case, notices of violations that are immaterial.

(s) Environmental Matters. The Borrower and, to the Borrower's knowledge, each Principal Project Party is in material compliance with all laws applicable to the Project relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the Project referenced in the notice "Federal Environmental Statutes, Regulations, and Executive Orders Applicable to the Development and Review of Transportation Infrastructure

Projects," 79 Fed. Reg. 22756 (April 23, 2014) (or any successor Federal Register notice of similar import), which document is available at <http://www.transportation.gov/policy/transportation-policy/environment/laws> ("**Environmental Laws**"). All Governmental Approvals for the Project relating to Environmental Laws have been, or, when required, will be, obtained by the Borrower and are (or, as applicable, will be) in full force and effect. The Borrower has not received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the Borrower is not in full compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Project and, to the Borrower's knowledge, there are no circumstances that may prevent or interfere with full compliance in the future by the Borrower with any such Environmental Law or Governmental Approval. The Borrower has provided to the RRIF Lender all material assessments, reports, results of investigations or audits, and other material information in the possession of or reasonably available to the Borrower regarding the Borrower's or the Project's compliance with (A) Environmental Laws, and (B) Governmental Approvals relating to Environmental Laws that are required for the Project.

(t) Sufficient Rights and Utilities. The Borrower possesses either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the Project, in each case as is necessary and sufficient as of the date this representation is made for the construction, operation, maintenance and repair of the Project. As of any date on which this representation and warranty is made, the Principal Project Contracts then in effect and the Governmental Approvals that have been obtained and are then in full force and effect create rights in the Borrower sufficient to enable the Borrower to own, construct, operate, maintain and repair the Project and to perform its obligations under the Principal Project Contracts to which it is a party. All utility services, means of transportation, facilities and other materials necessary for the construction and operation of the Project (including, as necessary, gas, electrical, water and sewage services and facilities) are, or will be when needed, available to the Project and arrangements in respect thereof have been made on commercially reasonable terms.

(u) Insurance. **Schedule 14(u)** lists all insurance policies of any nature maintained by the Borrower with respect to the Project, as well as a summary of the terms of each such policy. The Borrower is in material compliance with all insurance obligations required under each Principal Project Contract to which it is a party and the other Related Documents as of the date on which this representation and warranty is made.

(v) Title. The Borrower has valid legal and beneficial title to the Pledged Revenues and the Trust Estate on which it purports to grant Liens pursuant to the Master Debt Resolution, in each case free and clear of any Lien of any kind, except for Permitted Liens.

(w) No Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Trust Estate, the Project, the Pledged Revenues, or the properties or assets in relation to the Project.

(x) Intellectual Property. The Borrower owns, or has adequate licenses or other valid rights to use, all patents, trademarks, service marks, trade names, copyrights, franchises, formulas, licenses and other rights with respect thereto and has obtained assignment of all licenses

and other rights of whatsoever nature, in each case, necessary for the Project and the operation of its business. To the Borrower's knowledge, there exists no conflict with the rights or title of any third party with respect to the intellectual property described in the preceding sentence. Excluding the use of commercially available "off-the-shelf" software, to the Borrower's knowledge, no product, process, method, substance, part or other material produced or employed or presently contemplated to be produced by or employed by the Project infringes or will infringe any patent, trademark, service mark, trade name, copyright, franchise, formula, license or other intellectual property right of any third party.

(y) Investment Company Act. The Borrower is not, and after applying the proceeds of the RRIF Loan will not be, required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and is not "controlled" by a company required to register as an "investment company" under the Investment Company Act of 1940, as amended.

(z) Financial Statements. Each income statement, balance sheet, and statement of cash flows (collectively, "**Financial Statements**") delivered to the RRIF Lender pursuant to Section 22(d) (*Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the balance sheets included therein and the cash flows of the Borrower for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the period to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.

(aa) Taxes. The Borrower is not required to file tax returns with any Governmental Authority.

(bb) ERISA. Neither the Borrower nor any ERISA Affiliate maintains or otherwise has any liability in respect of any plan or other arrangement that is subject to ERISA or Section 412 of the Code.

(cc) Sufficient Funds. The aggregate of (i) all funds that are undrawn but fully and completely committed under the Master Debt Resolution, the FFGA, and this Agreement, (ii) all delay payments and insurance proceeds in respect of any casualty loss (other than any proceeds of business interruption insurance, delay-in-start-up insurance and proceeds covering liability of the Borrower to third parties) received by the Borrower or to which the Borrower is entitled in accordance with the applicable insurance policies and Principal Project Contracts, and (iii) all funds available under any other unused funding that is committed and available, will be sufficient to pay all Total Project Costs necessary to achieve Substantial Completion.

(dd) Patriot Act. [The Borrower is not required to establish an anti-money laundering compliance program pursuant to the Patriot Act] OR [The Borrower has established an anti-money laundering compliance program as required by the Patriot Act and is in compliance with the Patriot Act in all material respects].

(ee) No Proposed Legal Changes. There is no amendment or, to the knowledge of the Borrower, no proposed amendment certified for placement on a statewide or local ballot, to the Master Debt Resolution or any legislation that has passed, or any published judicial decision interpreting any of the foregoing, which could reasonably be expected to result in a Material Adverse Effect.

Section 15. Representations and Warranties of RRIF Lender. The RRIF Lender represents and warrants that:

(a) Power and Authority. The RRIF Lender has all requisite power and authority to make the RRIF Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b) Due Execution; Enforceability. The Related Documents to which it is a party have been duly authorized, executed and delivered by the RRIF Lender, and are legally valid and binding agreements of the RRIF Lender, enforceable in accordance with their terms.

(c) Officers' Authorization. The officers of the RRIF Lender executing each of the Related Documents to which the RRIF Lender is a party are duly and properly in office and fully authorized to execute the same on behalf of the RRIF Lender.

Section 16. Affirmative Covenants. The Borrower covenants and agrees as follows until the date the RRIF Bond and the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in cash and the RRIF Lender no longer has any commitment to make disbursements to the Borrower, unless the RRIF Lender waives compliance in writing:

(a) Securing Liens. The RRIF Lender shall have a first Lien on the Trust Estate, including the Pledged Revenues, which Lien shall be on a parity with the other Senior Lien Obligations. The Borrower covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such supplements or amendments hereto or to the Master Debt Resolution to the extent such supplements or amendments are not inconsistent with the Master Debt Resolution, and such further acts, instruments and transfers as the RRIF Lender may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the Borrower's parity interest in the Trust Estate pledged hereby and by the Master Debt Resolution to the payment of the RRIF Debt Service. Any and all interest in property hereafter acquired which is of any kind or nature provided to be and become subject to the lien hereof and of the Master Debt Resolution shall and without any further conveyance, assignment or act on the part of the Borrower or the Trustee become and be subject to the lien of this Agreement and the Master Debt Resolution as fully and completely as though specifically described herein and therein, but nothing in this sentence shall be deemed to modify or change the obligations of the Borrower under this Section or under the Master Debt Resolution. The Borrower covenants and agrees that it has not and will not, except as herein otherwise expressly provided, sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Pledged Revenues other than as security for the payment of the Senior Lien Obligations, including the RRIF Bond, the Subordinate Lien Obligations and any other Obligations. The Borrower shall, at all times, to the extent permitted by law, defend, preserve,

and protect the parity first Lien on the Pledged Revenues and the Trust Estate granted to the RRIF Lender, as owner of the RRIF Loan and the RRIF Bond, against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(b) Copies of Documents. The Borrower shall furnish to the RRIF Lender a copy of any offering document and cash flow projections prepared in connection with the incurrence of any Senior Lien Obligations or Subordinate Lien Obligations, prior to the incurrence of any such obligations, as well as copies of any continuing disclosure documents, in each case prepared by or on behalf of the Borrower in connection with the incurrence of such obligations, in each case promptly following the preparation or filing thereof. The Borrower shall provide written notice to the RRIF Lender of the Borrower's intent to enter into an Additional Project Contract and shall provide drafts of any such Additional Project Contracts at least thirty (30) days prior to the proposed effective date thereof, together with any related contracts, side letters or other understandings. The Borrower shall provide to the RRIF Lender, promptly after execution thereof, a copy of each Additional Project Contract.

(c) Use of Proceeds. The Borrower shall use the proceeds of the RRIF Loan for purposes permitted by applicable law and as otherwise permitted under this Agreement and the other Related Documents.

(d) Verification Requirements. The Borrower shall comply with the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320.

(e) **Reserved.**

(f) Insurance. The Borrower shall at all times, through a combination of insurance policies and self-insurance programs, maintain or cause its contractors to maintain, all insurance necessary and sufficient to protect the Project against accidental loss or damage while under construction and during subsequent periods of operation and maintenance, as is customarily maintained by the Borrower with respect to works and properties of like character, against accident to, loss of, damage to and liability from such works or properties.

(g) Notice.

(i) The Borrower shall, within ten (10) Business Days after the Borrower learns of the occurrence, give the RRIF Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event:

(A) Substantial Completion: the occurrence of Substantial Completion, such notice to be provided in the form set forth in **Exhibit L**;

(B) Events of Default: any Event of Default or any event that, with the giving of notice or the passage of time or both, would constitute an Event of Default;

(C) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the Borrower before any arbitrator,

Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by the Borrower in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the Borrower that, in each case, could reasonably be expected to have a Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, and (2) any judgments against the Borrower with award amounts in excess of \$[____], either individually or in the aggregate;

(D) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or making any required filing, notice, recordation or other demonstration to or with a Governmental Authority, in each case to the extent such failure or delay will or could reasonably be expected to result in a delay to any major milestone date (including the Projected Substantial Completion Date) set forth in the Construction Schedule, together with a written explanation of the reasons for such failure or delay and the plans of the Borrower to remedy or mitigate the effects of such failure or delay;

(E) Environmental Notices: any material notice of violation under any Environmental Law related to the Project or any material changes to the NEPA Determination;

(F) Insurance Claim: any insurance claims made by the Borrower or any Principal Project Party in respect of the Project in excess of \$[____] either individually or in the aggregate;

(G) Amendments: except as otherwise agreed by the RRIF Lender in writing, copies of any proposed amendments to any Related Documents at least thirty (30) days prior to the effective date thereof and the fully executed amendments within ten (10) days following execution thereof;

(H) Principal Project Contract Defaults: any material breach or default or event of default on the part of any party under any Principal Project Contract;

(I) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to result in a Material Adverse Effect;

(J) Project Changes: any (a) change to the Total Project Costs forecasts in excess of [five percent (5%)] of Total Project Costs or (b) change to the Construction Schedule that delays completion of a critical path item for the Project or that could delay Substantial Completion by the Projected Substantial Completion Date;

(K) Ratings Changes: any change in the ratings assigned to the Senior Lien Obligations or the RRIF Loan by any Nationally Recognized Rating Agency that has provided a public rating on such indebtedness;

(L) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the Borrower to disclose information previously required to have been disclosed or due to the Borrower or any of its principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(M) Documents: the delivery or receipt, by the Borrower, of any plans, reports or notices under the RRIF Loan Documents, unless the RRIF Lender notifies the Borrower that any of such plans, reports or notices no longer need to be provided; provided, however, that, with respect to the Master Debt Resolution, the Borrower shall be required under this clause (M) to notify the RRIF Lender only of the delivery or receipt of material notices thereunder;

(N) Legislative and Judicial Action or Voter Initiative: the proposal or initiation of any legislative or voter initiative or judicial action the result of which would (1) amend or otherwise alter the DART Act to (x) increase or decrease the sales and use tax imposed in pursuant thereof or (y) cause the tax imposed pursuant to the DART Act to expire or otherwise terminate or (2) amend or repeal the constitutional or statutory authority of the Borrower to operate under State law, provided, however, that such notice shall be provided prior to the legislative or judicial action or voter initiative; and

(O) Other Adverse Events: the occurrence of any other event or condition, including any notice of breach from a contract counterparty, that could reasonably be expected to result in a Material Adverse Effect.

(ii) The Borrower shall provide the RRIF Lender with any further information reasonably requested by the RRIF Lender from time to time concerning the matters described in Section 16(g)(i) (*Notice*).

(h) Remedial Action. Within thirty (30) calendar days after the Borrower learns of the occurrence of an event specified in Section 16(g)(i) (*Notice*) (other than in Section 16(g)(i)(A) (*Substantial Completion*), Section 16(g)(i)(G) (*Amendments*), or Section 16(g)(i)(K) (*Ratings Changes*) (in the case of a ratings upgrade)), the Borrower's Authorized Representative shall provide a statement to the RRIF Lender setting forth the actions the Borrower proposes to take with respect thereto.

(i) Maintain Legal Structure. The Borrower covenants and agrees to take no action to terminate its existence as a public body corporate and politic so long as the RRIF Bond remains outstanding, unless otherwise required by law.

(j) Annual Rating. The Borrower shall, commencing in 2018, no later than the last Business Day of September of each year during the term of the RRIF Bond, at no cost to the RRIF Lender, provide to the RRIF Lender public ratings on the RRIF Bond by a Nationally Recognized Rating Agency, together with the rating report or letter delivered by such Nationally Recognized

(k) Compliance with Laws. The Borrower shall comply in all material respects with all applicable material federal and State laws, including (i) all items set forth in **Exhibit E**, to the extent applicable, and (ii) the terms and conditions of the FTA Compliance Agreement.

(l) Material Obligations; Liens. The Borrower shall pay its material obligations promptly and in accordance with their terms and pay and discharge promptly all material taxes, assessments and governmental charges or levies imposed upon it or upon the Pledged Revenues or the Borrower's other income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, might give rise to a Lien upon such properties or any part thereof or on the Pledged Revenues or the Trust Estate; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(m) Hedging.

(i) The Borrower shall not incur Variable Interest Rate Parity Obligations not subject to a Qualified Hedge in excess of fifteen percent (15%) of the total amount of Outstanding Senior Lien Obligations (the "Hedging Threshold") unless the Borrower complies with the provisions of each subsection of this paragraph (m) with respect to the aggregate principal amount of Variable Interest Rate Parity Obligations not subject to a Qualified Hedge in excess of the Hedging Threshold. With respect to such Variable Interest Rate Parity Obligations in excess of the Hedging Threshold (a) the Qualified Hedges must have an aggregate stated notional amount of not less than 98% of the aggregate principal amount of the Variable Interest Rate Parity Obligations projected to be Outstanding and required to be subject to a Qualified Hedge pursuant to the provisions hereof during the term of the Qualified Hedges and have a stated maturity or termination date not earlier than the final maturity date of the respective Additional Senior Lien Obligations, and (b) the Borrower, at all times when the RRIF Loan is outstanding, shall have in full force and effect Qualified Hedges with an aggregate notional amount of not less than 98% of the aggregate principal amount of the Variable Interest Rate Parity Obligations projected by the Borrower from time-to-time to be Outstanding and required to be subject to a Qualified Hedge pursuant to the provisions hereof during the term of the RRIF Loan and (x) at least 98% of the notional amount of such Qualified Hedges shall be subject to a Qualified Hedge with a stated maturity or termination date not earlier than the final maturity date of the RRIF Loan and (y) the notional amount of the balance of such Qualified Hedges shall be subject to a Qualified Hedge with a stated maturity or termination date of at least one year.

(ii) Each Qualified Hedge shall provide for a fixed interest rate or interest rate cap resulting in fixed or maximum payment amounts payable by the Borrower which, when taken together with the Bank Lending Margin, shall be an effective interest rate which is less than or equal to the Loan Underwriting Rate. The Borrower's obligations to pay (a) any payments required in connection with the acquisition of a Qualified Hedge

to assure that the fixed interest rate to be paid by the Borrower or interest rate cap provided to the Borrower under the Qualified Hedge, together with the Bank Lending Margin, shall be at or below the Loan Underwriting Rate, (b) Hedging Obligations and (c) Hedging Termination Obligations shall be from the sources and in the priority specified in the Master Debt Resolution, as applicable. Each Qualified Hedge shall be secured and documented on terms and conditions approved by the RRIF Lender (the "**Hedge Documents**"). The Borrower shall ensure that, with respect to Senior Lien Obligations, as of the day following the termination date of any Qualified Hedge, either (a) a Subsequent Qualified Hedge (as defined below) is in full force and effect to the extent the Variable Interest Rate Parity Obligations at the time Outstanding and not subject to a Qualified Hedge are in excess of the Hedging Threshold or (b) such Variable Interest Rate Parity Obligations have been converted to a fixed rate to the extent that the principal amount of the Variable Interest Rate Parity Obligations at the time Outstanding and not subject to a Qualified Hedge are in excess of the Hedging Threshold, in each case in accordance with this Agreement and the Master Debt Resolution.

(iii) Any Qualified Hedge entered into subsequent to any existing Qualified Hedge (a "Subsequent Qualified Hedge") shall commence no later than the termination date of the existing Qualified Hedge and terminate no earlier than the final maturity date of the Variable Interest Rate Parity Obligations subject to the Subsequent Qualified Hedge.

(iv) No later than thirty days prior to the Borrower seeking any bids from any Qualified Hedge Provider for a Qualified Hedge (including, but not limited to, any Subsequent Qualified Hedge), the Borrower shall obtain the written consent of the RRIF Lender to the effect that the process for selecting such Qualified Hedge is a competitive process designed to obtain a fair market price and to avoid conflicts of interest. At the time the Qualified Hedge is priced, the Borrower shall provide to the RRIF Lender a certificate from a qualified third party acceptable to the RRIF Lender to the effect that either the underlying fixed rate or the price of acquiring the Qualified Hedge is a fair price based on the interest rate market at the time such Qualified Hedge is priced.

(v) The Hedge Documents shall provide that all payments due thereunder to the Borrower shall be made directly to the Trustee for deposit and disbursement in accordance with the Master Debt Resolution.

(vi) The Borrower shall neither terminate (other than Permitted Hedging Terminations), transfer nor consent to any transfer (other than to a Qualified Hedge Provider) of any existing Qualified Hedge without the RRIF Lender's prior written consent as long as the Borrower is required to maintain a Qualified Hedge pursuant to this Agreement.

(n) SAM Registration. The Borrower shall (i) maintain its active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the RRIF Lender evidence of such active registration status with no active exclusions reflected

in such registration, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the RRIF Lender hereunder have been irrevocably paid in full in cash.

(o) Patriot Act. If the anti-money laundering compliance program provisions of the Patriot Act become applicable to the Borrower, then the Borrower will provide written notice to the RRIF Lender of the same and will promptly establish an anti-money laundering compliance program that complies with applicable requirements of the Patriot Act.

(p) Lobbying. The Borrower shall comply with all applicable certification, declaration and/or disclosure requirements under 49 C.F.R. Part 20.

(q) License - Dallas Area Rapid Transit I-3. The Borrower shall use its best efforts (i) to ensure that the License - Dallas Area Rapid Transit I-3 is renewed pursuant to the terms thereof through and until the execution and recording of a permanent easement with respect to the land subject to the License - Dallas Area Rapid Transit I-3, and (ii) prior to or upon the completion of the Project, to enter into a permanent easement with respect to the Project, which such permanent easement shall be recorded pursuant to the laws of the State; provided, however, either the License - Dallas Area Rapid Transit I-3 or a permanent easement shall be in effect at all times for so long as the RRIF Loan remains Outstanding.

(r) Failure to Maintain the License - Dallas Area Rapid Transit I-3 or a Permanent Easement. The Borrower covenants that it will provide the RRIF Lender with written notice within two Business Days of the date on which neither (i) the License - Dallas Area Rapid Transit I-3 nor (ii) the permanent easement referred to in clause (bb)(ii) above is in effect.

Section 17. Negative Covenants. The Borrower covenants and agrees as follows until the date the RRIF Bond and the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in cash, unless the RRIF Lender waives compliance in writing:

(a) Indebtedness.

(i) Except for Permitted Debt that satisfies the requirements of this Section 17(a) (*Indebtedness*), the Borrower shall not issue or incur indebtedness secured by Pledged Revenues without the prior written consent of the RRIF Lender.

(ii) The Borrower may issue or incur at any time Additional Senior Lien Obligations in compliance with Section 3.2 of the Master Debt Resolution, provided that no Resolution Event of Default has occurred and is continuing under the Master Debt Resolution and no Event of Default has occurred and is continuing under this Agreement; provided, however, that nothing herein shall preclude DART from issuing refunding Additional Senior Lien Obligations that DART would otherwise be permitted to issue to cure an Event of Default if the issuance of such refunding Additional Senior Lien Obligations are issued in accordance with the Master Debt Resolution and the issuance thereof does not result in an Event of Default.

(iii) The Borrower may issue or incur at any time Additional Subordinate Lien Obligations in compliance with Section 3.3 or Section 3.4 of the Master Debt

Resolution, provided that no Resolution Event of Default has occurred and is continuing under the Master Debt Resolution and no Event of Default has occurred and is continuing under this Agreement; provided, however, that nothing herein shall preclude DART from issuing refunding Additional Subordinate Lien Obligations that DART would otherwise be permitted to issue to cure an Event of Default if the issuance of such refunding Additional Subordinate Lien Obligations are issued in accordance with the Master Debt Resolution and the issuance thereof does not result in an Event of Default.

(iv) The Borrower may enter into and execute at any time one or more Credit Agreement Obligations in compliance with Section 3.5 of the Master Debt Resolution, provided that no Resolution Event of Default has occurred and is continuing under the Master Debt Resolution and no Event of Default has occurred and is continuing under this Agreement; provided, however, that nothing herein shall preclude DART from enter into and execute Credit Agreement Obligations that DART would otherwise be permitted to issue to cure an Event of Default if the Credit Agreement Obligations are entered into in accordance with the Master Debt Resolution and the execution thereof does not result in an Event of Default.

(b) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, without the prior written consent of the RRIF Lender, either (i) release the lien on or the pledge of the Trust Estate which secures the Senior Lien Obligations, including the RRIF Bond, (ii) amend, modify or supplement any RRIF Loan Document in a manner that could have a Material Adverse Effect or (iii) terminate, assign, amend or modify, or waive timely performance of any party of material covenants under, the Construction Contract or any other Principal Project Contract except for termination, assignment, amendment, modification or waiver that could not reasonably be expected to have a Material Adverse Effect. Except as otherwise agreed by the RRIF Lender in writing, the Borrower will provide to the RRIF Lender copies of any proposed amendments to any RRIF Loan Documents at least 30 days prior to the effective date thereof.

(c) No Prohibited Liens. Except for Permitted Liens, the Borrower shall not create, incur, assume or permit to exist any Lien on the Trust Estate, the Pledged Revenues, or the Borrower's respective rights therein.

(d) Reserved.

(e) Additional Project Contracts. The Borrower shall not, without the prior written consent of the RRIF Lender, enter into any Additional Project Contract (or series of related contracts) that commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower of, amounts that either: (i) exceed \$10,000,000 in any Borrower Fiscal Year, or (ii), alone or when aggregated with the other Total Project Costs in the same line item of the applicable budget set forth in the Financial Plan most recently approved by the RRIF Lender, would cause aggregate Total Project Costs for such line item in any Borrower Fiscal Year to exceed the amounts for such line item for any Borrower Fiscal Year reflected in the budget in the Financial Plan most recently approved by the RRIF Lender [by more than five percent (5%)].

(f) No Prohibited Sale, Lease or Assignment. The Borrower shall not sell, lease or assign its rights in and to the Project, a substantial portion of the assets included in the Project,

or its rights and obligations under this Agreement, in each case unless such sale, lease or assignment could not reasonably be expected to result in a Material Adverse Effect.

(g) Transactions with other Governmental Authorities. Except for the transactions expressly contemplated in the RRIF Loan Documents, the Borrower shall not (i) sell or transfer any property or assets constituting part of the Project to, or purchase or acquire any property or assets of, any other Governmental Authority, or (ii) otherwise engage in any other transactions in connection with the Project with, any other Governmental Authority (including any other Governmental Authority of or in the State) the terms and provisions of which are materially adverse to the Borrower or the Project or, in either case, that could reasonably be expected to result in a Material Adverse Effect.

(h) No Defeasance of RRIF Bond. The Borrower shall not defease the RRIF Bond pursuant to the Master Debt Resolution without the prior written consent of the RRIF Lender.

(i) OFAC Compliance. The Borrower shall not:

(i) violate (A) any applicable anti-money laundering laws, including those contained in the Bank Secrecy Act and the Patriot Act, (B) any applicable economic sanction laws administered by OFAC or by the United States Department of State, or (C) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal; or

(ii) be a Person (A) that is charged with, or that has received notice from a Governmental Authority that it is under investigation for, any violation of any such laws, (B) that is convicted of any violation of, is subject to civil or criminal penalties pursuant to, has any of its property seized or forfeited under, or enters into any agreement with the Government or a state or local government related to violations of, any such laws, (C) that is named on the list of "Special Designated Nationals and Blocked Persons" maintained by OFAC (or any successor Government office or list), or any similar list maintained by the United States Department of State (or any successor Government office or list), (D) with whom any U.S. Person (as defined in the applicable OFAC regulations) is prohibited from transacting business of the type contemplated by this Agreement and the other Related Documents under any other applicable law, (E) that is owned, Controlled by, or affiliated with any Person identified in clause (A), (B), (c) or (d) of this Section 17(1)(ii) (*OFAC Compliance*), or (F) that is in violation of any obligation to maintain appropriate internal controls as required by the governing laws of the jurisdiction of such Person as are necessary to ensure compliance with the economic sanctions, anti-money laundering and anti-corruption laws of the United States of America and the jurisdiction where the Person resides, is domiciled or has its principal place of business.

(iii) The Borrower shall not knowingly make a payment, directly or indirectly, to any Principal Project Party that has violated any of the laws referenced in Section 17(1)(i) (*OFAC Compliance*) or that is a Person described in Section 17(1)(ii) (*OFAC Compliance*).

(j) Additional Rights. In the event that the Borrower shall, directly or indirectly, enter into, consent to, or otherwise grant any Contractual Obligation which provides any counterparty to such Contractual Obligation with rights to accelerate any Obligations or other obligations (the "**Additional Rights**") in violation of Section 17(b)(vi) (*No Lien Extinguishment or Adverse Amendments*), then, to the extent permitted by law, such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the RRIF Lender shall have the benefits of such Additional Rights including the right to accelerate the RRIF Loan pursuant to Sections 20(c) and (d) (*Events of Default and Remedies*). The Borrower shall promptly, upon entering into or otherwise consenting to a Contractual Obligation containing such Additional Rights, notify the RRIF Lender of such Contractual Obligation and, to the extent permitted by law, enter into an amendment to this Agreement to include such Additional Rights; provided, that, the RRIF Lender shall have the benefit of such Additional Rights, to the extent permitted by law, even if the Borrower fails to provide such notice or enter into an amendment hereto to include said Additional Rights into this Agreement.

(k) No Prohibited Payments. Except in accordance with the terms of this Agreement, the Borrower shall not, at any time, make any payments from the Pledged Revenues to any party prior to satisfying all obligations due and payable to the RRIF Lender under this Agreement.

Section 18. Indemnification. To the extent permitted by law, the Borrower shall indemnify the RRIF Lender and any official, employee, agent or representative of the RRIF Lender (each such Person being herein referred to as an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the RRIF Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower shall be entitled, at its expense, to participate in the defense thereof; provided that such Indemnitee has the right to retain its own counsel, at the Borrower's expense, and such participation by the Borrower in the defense thereof shall not release the Borrower of any liability that it may have to such Indemnitee. Any Indemnitee against whom any indemnity claim contemplated in this Section 18 (*Indemnification*) is made shall be entitled, after consultation with the Borrower and upon consultation with legal counsel wherein such Indemnitee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower for purposes of this Section 18 (*Indemnification*). Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by

applicable law, neither the Borrower nor the RRIF Lender shall assert, and each of the Borrower and the RRIF Lender hereby waives, any claim against any Indemnitee or the Borrower, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the other transactions contemplated hereby and thereby, the RRIF Loan or the use of the proceeds thereof, provided that nothing in this sentence shall limit the Borrower's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder. All amounts due to any Indemnitee under this Section 18 (*Indemnification*) shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section 18 (*Indemnification*) shall survive the payment or prepayment in full or transfer of the RRIF Bond, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 18 (*Indemnification*)) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

Section 19. Sale of RRIF Loan. The RRIF Lender shall not sell the RRIF Loan at any time prior to the Substantial Completion Date. After such date, the RRIF Lender may sell the RRIF Loan to another entity or reoffer the RRIF Loan into the capital markets only in accordance with the provisions of this Section 19 (*Sale of RRIF Loan*). Such sale or reoffering shall be on such terms as the RRIF Lender shall deem advisable. However, in making such sale or reoffering the RRIF Lender shall not change the terms and conditions of the RRIF Loan without the prior written consent of the Borrower in accordance with Section 30 (*Amendments and Waivers*). The RRIF Lender shall provide, at least sixty (60) days prior to any sale or reoffering of the RRIF Loan, written notice to the Borrower of the RRIF Lender's intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section 19 (*Sale of RRIF Loan*) shall not (x) obligate the RRIF Lender to sell nor (y) provide the Borrower with any rights or remedies in the event the RRIF Lender, for any reason, does not sell the RRIF Loan.

Section 20. Events of Default and Remedies.

(a) An "Event of Default" shall exist under this Agreement if any of the following occurs:

(i) Payment Default. The Borrower shall fail to pay any of the principal amount of or interest on the RRIF Loan (including RRIF Debt Service required to have been paid pursuant to the provisions of Section 9 (*Payment of Principal and Interest*)), when and as the payment thereof shall be required under this Agreement or the RRIF Bond or on the Final Maturity Date (each such failure, a "**Payment Default**").

(ii) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the RRIF Bond or any other RRIF Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after receipt by the Borrower from the RRIF Lender of written notice thereof; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such

thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under this Section 20(a)(ii) (*Covenant Default*), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, and (y) such failure is cured within one hundred eighty (180) days of the date of the notice of default from the RRIF Lender.

(iii) Development Default. A Development Default shall occur, in which case the RRIF Lender may (A) suspend the disbursement of RRIF Loan proceeds under this Agreement and (B) pursue such other remedies as provided in this Section 20 (*Events of Default and Remedies*). If so requested by the RRIF Lender in connection with a Development Default, the Borrower shall immediately repay any unexpended RRIF Loan proceeds previously disbursed to the Borrower. For purposes of this Section 20(a)(iii), the Borrower shall have the right to amend the Construction Schedule to extend the date for Substantial Completion for a period of up to sixty (60) days (unless a longer extension is required due to the occurrence of an Uncontrollable Force) within thirty (30) days of receipt of notice of an alleged Development Default; provided that the Borrower shall provide the RRIF Lender with (y) a recovery plan with respect to the construction of the Project (a "Recovery Plan") reviewed by FTA's project management oversight contractor (the "PMOC"), (z) a certificate or report from such PMOC concluding that Substantial Completion is likely to occur by the date specified in the Recovery Plan, and the RRIF Lender approves the Recovery Plan (such approval not to be unreasonably withheld);

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the RRIF Loan Documents shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no Event of Default shall be deemed to have occurred under this Section 20(a)(iv) (*Misrepresentation Default*) if and so long as:

- (1) such misrepresentation is not intentional;
- (2) such misrepresentation is not a misrepresentation in respect of Section 14(h) (*No Debarment*), Section 14(j) (*Compliance with Federal Requirements*), Section 14(k) (*Transportation Improvement Program*), Section 14(p) (*Information*), Section 14(q) (*OFAC; Anti-Corruption Laws*), Section 14(z) (*Financial Statements*), Section 14(ee) (*Patriot Act*), or Section [*include additional representations and warranties, as applicable*];
- (3) in the reasonable determination of the RRIF Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect;

- (4) in the reasonable determination of the RRIF Lender, the underlying issue giving rise to the misrepresentation is capable of being cured;
- (5) the underlying issue giving rise to the misrepresentation is cured by the Borrower within thirty (30) days from the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation; and
- (6) the Borrower diligently pursues such cure during such thirty (30) day period.

(v) Acceleration of Obligations or Other Material Indebtedness. Any acceleration shall occur of the maturity of any (A) Obligations or (B) any indebtedness or other payment obligations of the Borrower secured by Pledged Revenues in an aggregate principal amount equal to or greater than \$1,000,000 (inflated annually by CPI) that is senior to, or in parity with, the RRIF Loan in right of payment or in right of security ("**Other Material Indebtedness**"), or Other Material Indebtedness shall not be paid in full upon the final maturity thereof.

(vi) Cross Default. (A) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the Master Debt Resolution, or made in or delivered pursuant to the documents (the "**Other Loan Documents**") under which any Other Material Indebtedness shall be created or incurred, shall prove to be false or misleading in any material respect (each an "**Other Indebtedness Misrepresentation Default**"), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under the Master Debt Resolution, or the Other Loan Documents, and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Master Debt Resolution or the Other Loan Documents (as the case may be) with respect to such default (each an "**Other Indebtedness Covenant Default**"), if the effect of such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default shall be to permit the immediate acceleration of the maturity of any or all of the Senior Lien Obligations or the Other Material Indebtedness (as the case may be), and, in the case of any such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default, the Borrower shall have failed to cure such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default or to obtain an effective written waiver thereof within thirty (30) days after receipt of written notice thereof from the RRIF Lender; provided, however, that if such cure or waiver of such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default cannot reasonably be obtained within such 30-day period, then no Event of Default shall be deemed to have occurred or be continuing under this clause (vi) if and so long as within such 30-day period the Borrower shall commence actions reasonably designed to obtain a cure or waiver of such default and shall diligently pursue such actions until such cure or waiver is obtained, provided such failure is cured or effectively waived (as the case may be) within 180 days; or

(B) The Borrower shall default in the timely performance of any covenant, agreement or obligation under any Related Document to which it is party or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a Material Adverse Effect), and the Borrower shall have failed to cure such default or to obtain an effective written waiver or revocation thereof prior to the expiration of the applicable grace period specified in any such Related Document, or to obtain an effective revocation of such termination (as the case may be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under this Section 20(a)(vi)(B) (*Cross Default*) if, in the case of any termination of a Principal Project Contract, the Borrower replaces such Principal Project Contract with a replacement agreement (1) entered into with another counterparty that (x) is of similar or greater creditworthiness and experience as the counterparty being replaced was at the time the applicable Principal Project Contract was originally executed (or otherwise reasonably acceptable to the RRIF Lender) and (y) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, (2) on substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the RRIF Lender) and (3) effective as of the date of termination of the Principal Project Contract being replaced.

(vii) Judgments. One or more final judgments (A) for the payment of money in an aggregate amount in excess of \$10,000,000 (inflated annually by CPI) that are payable from Sales Tax Revenues and are not otherwise fully covered by insurance (for which the insurer has acknowledged and not disputed coverage) or (B) that would reasonably be expected to result in a Material Adverse Effect shall, in either case, be rendered against the Borrower and the same shall remain undischarged for a period of thirty (30) consecutive days during which time period execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower to enforce any such judgment.

(viii) Failure to Maintain Existence. The Borrower shall fail to maintain its existence as a public entity, unless at or prior to the time the Borrower ceases to exist in such form a successor public agency or governing body has been created by the State pursuant to a valid and unchallenged State law and has succeeded to the assets of the Borrower and has assumed all of the obligations of the Borrower under the RRIF Loan Documents and the Master Debt Resolution, including the payment of all Obligations.

(ix) Occurrence of a Bankruptcy Related Event. (A) A Bankruptcy Related Event shall occur with respect to the Borrower or (B) a Bankruptcy Related Event shall occur with respect to any Principal Project Party; provided, that: (1) a Bankruptcy Related Event in connection with a Principal Project Party shall not constitute an Event of Default if the Borrower shall have promptly provided evidence satisfactory to the RRIF Lender demonstrating that any substitute Principal Project Party has sufficient financial resources and operating expertise to complete the Principal Project Contract to which such Principal Project Party was a party; and (2) after the Substantial Completion Date, the

occurrence of a Bankruptcy Related Event in connection with any Principal Project Party shall not constitute an Event of Default if at the time of such occurrence, (x) each applicable warranty period shall have ended and no claim against any warranty under the applicable Principal Project Contract shall exist or remain outstanding, or (y) if any applicable warranty period has not yet ended or any claim against any warranty remains outstanding, the Borrower promptly provides evidence satisfactory to the RRIF Lender showing that the Borrower has (I) sufficient moneys to correct any defect or nonconforming work of such Principal Project Party, and (II) a plan to carry out such works referred to in clause (I) hereof.

(x) Project Abandonment. The Borrower shall abandon the Project.

(xi) Invalidity of RRIF Loan Documents. (A) Any RRIF Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the Borrower contests in any manner the validity or enforceability of any RRIF Loan Document to which it is a party or denies it has any further liability under any RRIF Loan Document to which it is a party, or purports to revoke, terminate or rescind any RRIF Loan Document to which it is a party; or (B) the Master Debt Resolution ceases (other than as expressly permitted thereunder) to be effective to grant a valid and binding security interest on any material portion of the Trust Estate other than as a result of actions or a failure to act by, and within the control of, the Trustee, and with the priority purported to be created thereby.

(xii) Cessation of Operations. Operation of the Project shall cease for a continuous period of not less than one hundred eighty (180) days unless such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of the Borrower (and which the Borrower could reasonably have avoided or mitigated).

(xiii) Master Debt Resolution. The occurrence of a Resolution Event of Default.

(b) Upon the occurrence of an Event of Default described in Section 20(a)(iii) (*Development Default*), all obligations of the RRIF Lender hereunder with respect to the disbursement of any undisbursed amounts of the RRIF Loan shall immediately be deemed terminated.

(c) Upon the occurrence of any Bankruptcy Related Event with respect to the Borrower, all obligations of the RRIF Lender hereunder with respect to the disbursement of any undisbursed amounts of the RRIF Loan shall automatically be deemed terminated, and, if the RRIF Lender has a right to accelerate the RRIF Loan pursuant to Section 17(j) (*Additional Rights*), the Outstanding RRIF Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the RRIF Bond or the other RRIF Loan Documents, shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived. Upon the occurrence of any other Event of Default, the RRIF Lender, by written notice to the Borrower, may (i) suspend or terminate all of its obligations hereunder

with respect to the disbursement of any undisbursed amounts of the RRIF Loan and (ii) if the RRIF Lender has a right to accelerate the RRIF Loan pursuant to Section 17(j) (*Additional Rights*), declare the unpaid principal amount of the RRIF Bond to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the RRIF Bond or the other RRIF Loan Documents, all without presentment, demand, notice, protest or other requirements of any kind, all of which are hereby expressly waived.

(d) Whenever any Event of Default hereunder shall have occurred and be continuing, the RRIF Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder or under the RRIF Bond or the other RRIF Loan Documents, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the Trust Estate and the moneys adjudged or decreed to be payable, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable from the Trust Estate under this Agreement, the RRIF Bond or the other RRIF Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the RRIF Bond or the other RRIF Loan Documents; provided, however, that any monetary judgment against the Borrower shall be payable solely from the Trust Estate or from any other funds made available by the Borrower, in its discretion. The RRIF Lender hereby acknowledges that as of the Effective Date, the RRIF Lender does not have the right to accelerate the maturity of the RRIF Loan or the RRIF Bond upon the occurrence of a Resolution Event of Default or an Event of Default hereunder.

(e) Whenever any Event of Default hereunder shall have occurred and be continuing, the RRIF Lender may suspend or debar the Borrower from further participation in any Government program administered by the RRIF Lender and to notify other departments and agencies of such default.

(f) No action taken pursuant to this Section 20 (Events of Default and Remedies) shall relieve the Borrower from its obligations pursuant to this Agreement, the RRIF Bond or the other RRIF Loan Documents, all of which shall survive any such action.

(g) This Agreement is not intended to conflict with any provision in the Master Debt Resolution. The parties acknowledge and agree that the RRIF Bond shall be issued under and subject to the terms and conditions set forth in the Master Debt Resolution, and the rights and remedies of the RRIF Lender as the Holder of the RRIF Bond, including any rights and remedies with respect to the payment thereof, shall be governed exclusively by the Master Debt Resolution. In addition to the rights and remedies of Holders set forth in the Master Debt Resolution, the parties further acknowledge and agree that the RRIF Loan shall be made under and subject to, the terms and conditions set forth in this Agreement and the rights and remedies of the RRIF Lender hereunder, including the right to enforce the representations, warranties and covenants made by the Borrower exclusively for the benefit of the RRIF Lender, shall be governed exclusively by those remedies set forth in Section 20(b), (c), (d), (e) and (f) hereof. In the event of a conflict between the Master Debt Resolution and this Agreement, the provisions of this Agreement shall be given precedence; provided, however, in the event there exists a conflict between the provisions of this Agreement and the Master Debt Resolution

and performance with the provisions of this Agreement is contrary to or inconsistent with the rights of the Holders of other Senior Lien Obligations under the Master Debt Resolution, then the provisions of the Master Debt Resolution shall be given precedence and performance with the provisions thereof shall not constitute a violation of this Agreement. Subject to the immediately previous sentence, the Borrower shall comply with all provisions of the Master Debt Resolution and with all documents entered into or delivered in connection with this transaction.

Section 21. Accounting and Audit Procedures; Inspections; Reports and Records.

(a) Accounting and Audit Procedures. The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all Project-related transactions (including collection of Pledged Revenues, and RRIF Loan requisitions received and disbursements made with regard to the Project), so that audits may be performed to ensure compliance with and enforcement of this Agreement. The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the RRIF Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(b) Inspections. So long as the RRIF Loan or any portion thereof shall remain outstanding and until five (5) years after the RRIF Loan shall have been paid in full, the RRIF Lender shall have the right, upon reasonable prior notice, to visit and inspect any of the locations or properties of the Borrower, to examine its books of account and records, to make copies and extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts with, and to be advised as to the same by, its officers and employees and the State Auditor or its independent public accountants (and by this provision the Borrower irrevocably authorizes the State Auditor or its independent public accountants to discuss with the RRIF Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 21(b) (*Inspections*) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the RRIF Lender may desire. The Borrower agrees to pay all out-of-pocket expenses incurred by the RRIF Lender in connection with the RRIF Lender's exercise of its rights under this Section 21(b) (*Inspections*) at any time when an Event of Default shall have occurred and be continuing.

(c) Reports and Records. The Borrower shall maintain and retain all files relating to the Project, the Pledged Revenues and the RRIF Loan until three (3) years after the later of the date on which (i) all rights and duties hereunder and under the RRIF Bond (including payments) have been fulfilled and any required audits have been performed and (ii) any litigation relating to the Project, the Gross Sale Tax Revenues, the RRIF Loan or this Agreement is finally resolved or, if the RRIF Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the RRIF Lender and the Borrower. The Borrower shall provide to the RRIF Lender in a timely manner all records and documentation relating to the Project or the Pledged Revenues that the RRIF Lender may reasonably request from time to time.

(d) Copies of Senior Obligations Related Notices. The Borrower shall provide to the RRIF Lender, promptly after the sending or receipt thereof, copies of (i) final ratings

presentations sent to, and any notices, reports or other written materials (other than those that are ministerial in nature) received from, any Nationally Recognized Rating Agency that has provided, or is being requested to provide, a rating with respect to any indebtedness of the Borrower that is or will be secured by or paid from the Sales Tax Revenues, (ii) all notices and other written communications, other than those that are non-substantive or ministerial in nature, received by it from the Trustee or any Holder, and (iii) all reports, notices and other written materials, other than those that are non-substantive or ministerial in nature, required to be sent to the Trustee or any Holder under the Master Debt Resolution, including all such notices, other than those that are non-substantive or ministerial in nature, relating to any of the Principal Project Contracts; unless, in each case, the RRIF Lender notifies the Borrower that any such reports, notices and/or other written materials no longer need to be provided.

(e) Required Audit. The Borrower shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 in 2018 and annually thereafter, except to the extent biennial audits are permitted for the Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the RRIF Lender, the USDOT, or designees thereof, pursuant to 49 C.F.R. § 80.19, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the RRIF Loan, to the Secretary, or the designee thereof, for any such project or programmatic audit.

Section 22. Financial Plan, Statements, and Reports.

(a) Financial Plan. The Borrower shall provide to the RRIF Lender and the FTA Regional Office, within sixty (60) days after the Effective Date and annually thereafter not later than ninety (90) days after the beginning of each Borrower Fiscal Year, a Financial Plan. The Financial Plan submitted within sixty (60) days after the Effective Date should be consistent in all respects with the projections, assumptions and other information contained or reflected in the Base Case Financial Model. The initial and each subsequent Financial Plan delivered hereunder shall be subject to approval by the RRIF Lender.

(i) The Financial Plan shall be prepared in accordance with recognized financial reporting standards, such as those in the "Guide for Prospective Financial Information" of the American Institute of Certified Public Accountants, shall meet FTA Project Management Oversight Requirements, and shall be in form and substance satisfactory to the RRIF Lender.

(ii) The Financial Plan shall include: (A) a certificate signed by the Borrower's Authorized Representative to the effect that the Financial Plan, including the assumptions and supporting documentation, is accurate and reasonable to the best of the Borrower's knowledge and belief; (B) a certificate signed by the Borrower's Authorized Representative demonstrating that annual projected Gross Sales Tax Revenues shall be sufficient to meet the Loan Amortization Schedule and (C) an electronic copy of a Revised Financial Model for the period from the Effective Date through the Final Maturity Date, in substantially the form of the Base Case Financial Model, based upon assumptions and projections with respect to the revenues, expenses and other financial aspects of the Project

that shall reflect the prior experience and current status of the Project, and the expectations of the Borrower with respect to the Project, as of the most recent practicable date prior to the delivery of such Revised Financial Model.

(iii) For the period through the Substantial Completion Date, the Financial Plan shall:

(A) provide the current estimate of Total Project Costs and the remaining cost to complete the Project, identify any significant cost changes since the previous Financial Plan, discuss reasons for and implications of the cost changes, and include a summary table showing the history of Total Project Costs by major activity or category in comparison to the Base Case Financial Model and the preceding Financial Plan;

(B) provide updates to the Construction Schedule, including an update, if any, to the Projected Substantial Completion Date and an explanation of any such adjustment;

(C) identify major milestones for each phase of the Project and compare current milestone dates with the milestone dates in the Construction Schedule and in the preceding Financial Plan, and discuss reasons for changes in Project milestones;

(D) provide current estimates of sources and uses of funds for the Project, identify any significant funding changes since the preceding Financial Plan, discuss reasons for and implications of the funding changes, and include a summary table showing the history of Project funding in comparison to the Base Case Financial Model and the preceding Financial Plan;

(E) provide an updated cash flow schedule showing annual cash needs versus available revenue and funding to meet those needs and identify any potential revenue and funding shortfalls, and addressing contingency measures that will or may be taken to address any shortfalls;

(F) provide cost containment strategies and risk mitigation plans that have been or may be implemented to address factors that are affecting or could affect the scheduled completion or financial viability of the Project;

(G) provide the total value of approved changes in Project design or scope, and provide a listing of each individual change valued at \$5,000,000 or more, setting forth the rationale or need for the proposed change and describing the impact of such change on the Project;

(H) to the extent that any Hedging Agreements secured by Pledged Revenues are then in effect, report on the notional amounts covered by such Hedging Agreements;

(I) contain, in form and substance satisfactory to the RRIF Lender, a written narrative executive summary of the topics described in clauses (A) through (H) above since the Effective Date and since the preceding Financial Plan, describing in reasonable detail all material matters that may affect the future performance of the Borrower's obligations under this Agreement, including any adjustment to the Projected Substantial Completion Date, and the causes thereof; and

(J) comply in all respects with FTA Project Management Oversight Requirements.

(iv) For the period following the Substantial Completion Date until repayment of the RRIF Loan in full, the Financial Plan shall:

(A) provide an updated cash flow schedule showing annual cash inflows (Pledged Revenues, interest and other income) and outflows (whether or not required to be paid pursuant to the provisions of Section 9 (*Payment of Principal and Interest*)), replenishment of reserves and other uses) with a narrative identifying any potential revenue or funding shortfall and discussing contingency measures that will or may be taken to address any shortfalls;

(B) provide current and estimated amounts of revenues received and the amounts deposited into each fund and account held under the Master Debt Resolution and the amount disbursed from such funds and accounts and the balance in each of the funds and accounts;

(C) provide an updated schedule of actual and projected Pledged Revenue, showing actual and projected coverage ratios for the RRIF Bond;

(D) to the extent that any Hedging Agreements secured by Pledged Revenues are then in effect, report on the notional amounts and mark to market values under such Hedging Agreement; and

(E) include a written narrative report explaining any variances in costs or revenues since the Base Case Financial Model and the preceding Financial Plan and describing in reasonable detail any material matters that may affect the future performance of the Borrower's obligations under this Agreement and the causes thereof.

(b) Not later than ninety (90) days following Substantial Completion, the Borrower shall provide the RRIF Lender with a final written narrative report, summarizing all significant activities and events, since the Base Case Financial Model, affecting the operation, maintenance, financing, or management of the Project in a form reasonably satisfactory to the RRIF Lender. Such report shall include an updated cash flow schedule and currently projected debt service coverage ratios for the Obligations.

(c) Modifications to Total Project Costs. For the period through the Substantial Completion Date, [the Borrower shall provide the RRIF Lender with written notification at least

[thirty (30)] days prior to instituting any increase or decrease to the aggregate Total Project Costs in an amount equal to or greater than [five percent (5%)], which notification shall set forth the nature of the proposed increase or decrease and an estimate of the impact of such increase or decrease on the capital costs and operating costs of the Project, and the Financial Plan. The Borrower's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is necessary or beneficial to the Project, does not materially impair the RRIF Lender's security or the Borrower's ability to comply with its obligations under the Related Documents (including any financial ratios or covenants included therein), and could not reasonably be expected to result in a Material Adverse Effect.

(d) Financial Statements. The Borrower shall furnish to the RRIF Lender:

(i) (A) as soon as available, but no later than ninety (90) days after the end of the first, second and third quarterly period of each Borrower Fiscal Year, (1) an unaudited income statement and balance sheet of the Borrower as of the end of such period and the related unaudited statements of cash flows of the Borrower for such period and for the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous period, certified by the executive director or chief financial officer of the Borrower as fairly stating in all material respects the financial condition of the Borrower as at the end of such period and the results of its operations and its cash flows for such period (subject to normal year-end audit adjustments,) and (2) commencing April 1, 2013, a quarterly financial report showing the operating data for the Borrower for the previous quarter, including total Pledged Revenues and Borrower operating income received and total O&M Expenses and Capital Expenditures incurred, (2) the variances for such period between the Pledged Revenues and operating income actually received and the budgeted Pledged Revenues and operating income as shown in the Annual Budget, together with a brief narrative explanation of the reasons for any such variance of 20% or more, and (3) the variances for such period between the actual O&M Expenses incurred and the budgeted O&M Expenses as shown in the Annual Budget, together with a brief narrative explanation of the reasons for any such variance of 20% or more; and

(B) as soon as available, but no later than one hundred eighty (180) days after the end of each Borrower Fiscal Year, a copy of the audited income statement and balance sheet of the Borrower as of the end of such Borrower Fiscal Year and the related audited statements of operations, changes in cash flow of the Borrower for such Borrower Fiscal Year, setting forth in each case in comparative form the figures for the previous Borrower Fiscal Year, certified without a "going concern" or like qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower and which is reasonably acceptable to the RRIF Lender

(ii) All such financial statements with respect to the Borrower shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(e) Officer's Certificate. The Borrower shall furnish to the RRIF Lender, together with each delivery of annual audited or interim unaudited financial statements of the Borrower pursuant to Section 22(d) (*Financial Statements*), a certificate signed by the executive director or chief financial officer of the Borrower or any Borrower's Authorized Representative, stating whether or not, to the Borrower's knowledge, during the quarterly or annual period (as the case may be) covered by such financial statements, there occurred any Event of Default or event that, with the giving of notice or the passage of time or both, would become an Event of Default, and, if any such Event of Default or other event shall have occurred during such period, the nature of such Event of Default or other event and the actions that the Borrower has taken or intends to take in respect thereof.

Section 23. Project Oversight and Monitoring.

(a) Project Development, Design and Construction. The RRIF Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development, including environmental compliance, design, right-of-way acquisition, and construction of the Project. The Borrower shall be responsible for administering construction oversight of the Project in accordance with the FTA Compliance Agreement, and the Borrower's oversight of Project development, environmental compliance, design, right-of-way acquisition, and construction monitoring shall be conducted pursuant to the FTA Compliance Agreement, which may be amended from time to time upon mutual agreement of the Borrower and the FTA Regional Office, or when so required by federal statute or otherwise required by Congress. The Borrower agrees to cooperate in good faith with the RRIF Lender and FTA Regional Office in the conduct of such monitoring by promptly providing the RRIF Lender and FTA Regional Office with such reports, documentation or other information as shall be requested by the RRIF Lender and FTA Regional Office, or its agents, including any independent engineer reports, documentation or information.

(b) Requested Information. The Borrower shall, at any time while the RRIF Loan remains outstanding, promptly deliver to the RRIF Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or regarding the Project or the Pledged Revenues as the RRIF Lender may from time to time reasonably request, including copies of agreements related to the acquisition or control of any Project right-of-way.

(c) Reporting. The Borrower shall furnish to the RRIF Lender and FTA the following:

(i) Monthly Construction Progress Report. On or before the last Business Day of each month during the Construction Period, Borrower shall provide to the RRIF Lender and to FTA a report executed by a Borrower's Authorized Representative: (A) of the cumulative amount of the Total Project Costs broken down by the SCC expended since the Project inception and the Project Budget remaining, including amounts to be expended for assigned and unassigned contingency. The reporting of unassigned contingency shall be made in such a format that it compares easily to percent of project completion; (B) providing an assessment of the overall construction progress of the Project since the date of the last report and since the Effective Date, together with an assessment of how such progress compares to the Revenue Service Commencement Date. (This narrative information shall also be depicted by utilization of a standard construction

S curve. The assessment should also include a detailed description of the status of contracts and of the disadvantaged business enterprise goal and progress towards its achievement); (C) specifying the projected respective Revenue Service Commencement Dates, and any impediments to its achievement; (D) providing a detailed description of all material problems (including but not limited to actual and anticipated cost, incurred by the Borrower and not passed down to the construction contractors, if any) encountered or anticipated in connection with the construction of the Project since the date of the last report, together with an assessment of how such problems may impact the Construction Schedule and meeting its critical path and a detailed description of the proposed solutions to any such problems; (E) specifying the delivery status of major equipment and the effect, if any, that the anticipated delivery dates of such equipment have on the overall Construction Schedule; (F) specifying any proposed or pending change orders greater than \$100,000 in value and any potential or pending claims greater than \$100,000 in value; (H) specifying any proposed or pending modifications to the original Project scope as outlined in the Application; (I) a discussion or analysis of such other matters related to the Project as the RRIF Lender or FTA may reasonably request; and (J) based on current projections, sufficient funds, including amounts available hereunder are available to complete the Project. The Borrower shall respond, and use commercially reasonable efforts to cause the Construction Contractor to respond to the RRIF Lender's and to FTA's inquiries regarding such report, the construction of the Project, and the Construction Contractor's performance.

(ii) Construction Contractor Reports. During the Construction Period, promptly after receipt thereof, Borrower shall provide to the RRIF Lender and to FTA a copy of each report delivered by the Construction Contractor to the Borrower pursuant to any Construction Contract related to the Project.

(iii) Annual Budget. No later than December 31 of each calendar year, the Borrower shall submit its annual budget as approved by the Board, prepared by the Borrower in good faith and accompanied by a certificate of an Authorized Representative of the Borrower to the effect that such officer has no reason to believe that it is incorrect or misleading in any material respect, based upon information then known by such Authorized Representative.

(iv) Permits. Promptly after the receipt or filing thereof, as the case may be (but in no event later than thirty (30) days after such receipt or filing), Borrower shall provide to the RRIF Lender and to FTA a copy of (A) each Governmental Approval or other consent or approval obtained by the Borrower, or obtained by any Construction Contractor and delivered to the Borrower pursuant to any Construction Contract after the Effective Date, related to a federal statute or regulation or as requested in writing by the RRIF Lender and (B) each filing made by the Borrower with any Governmental Authority with respect to a Governmental Approval, except such as are routine or ministerial in nature.

(v) Recovery Plan. In the event that the monthly construction progress report, the Construction Contractor's report or the monthly report issued pursuant to the FTA Project Management Requirements indicates a failure to maintain the construction schedule

including a failure to meet any Substantial Completion Date or Revenue Service Commencement Date or to maintain the budget within a 10% percent variance, or all of there, then Borrower agrees to proffer within 30 days of such report a Recovery Plan for FTA's review and acceptance.

(d) Project Operations. For the period following the Substantial Completion Date, the RRIF Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and, as the RRIF Lender may request from time to time, to receive reporting on the operation and management of the Project. The RRIF Lender agrees to consult with FTA prior to requiring reporting on the operation and management of the Project. The Borrower agrees to cooperate in good faith with the RRIF Lender in the conduct of such monitoring by promptly providing the RRIF Lender with such reports requested by the RRIF Lender. In the event that the RRIF Lender retains a financial oversight advisor under contract with the RRIF Lender, which decision shall be within the sole discretion of the RRIF Lender, to carry out the provisions of this Section, the full cost of such monitoring shall be borne by the Borrower, subject to appropriation by the Borrower. Any costs reasonably incurred by the RRIF Lender for such monitoring shall be promptly reimbursed by the Borrower upon demand therefor in the form of an invoice reasonably acceptable to the Borrower, subject to appropriation by the Borrower.

Section 24. No Personal Recourse. No official, employee or agent of the RRIF Lender or the Borrower or any Person executing this Agreement or any of the other RRIF Loan Documents shall be personally liable on this Agreement or such other RRIF Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 25. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the Government, or the RRIF Lender, solely by virtue of the RRIF Loan, and the Borrower agrees to indemnify and hold the RRIF Lender, the Servicer (if any), the Executive Director, and the Government harmless, to the extent permitted by law and in accordance with Section 18 (*Indemnification*), from any lawsuit or claim arising in law or equity solely by reason of the RRIF Loan, and that no third party creditor or creditors of the Borrower shall have any right against the RRIF Lender with respect to the RRIF Loan made pursuant to this Agreement.

Section 26. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the RRIF Lender, the Trustee and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

Section 27. RRIF Lender's Authorized Representative.

(a) The RRIF Lender shall at all times have appointed the RRIF Lender's Authorized Representative by designating such Person or Persons from time to time to act on the RRIF Lender's behalf pursuant to a written certificate furnished to the Borrower, the Trustee and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the RRIF Lender.

(b) Pursuant to the delegation of authority, dated July 20, 2016, from the Secretary to the Under Secretary of Transportation for Policy, the further delegation of authority, dated July 20, 2016, from the Under Secretary of Transportation for Policy to the Executive Director of the Build America Bureau, and the further delegation of authority, dated August 31, 2016 (the "**Delegation**"), the Director of the Credit Office of the Build America Bureau has been delegated the authority to enter into contracts and sign all contractual and funding documents (with the exception of the term sheets and credit agreements) necessary to implement the Act, including entering into technical amendments to, and restatements of, term sheets and credit agreements that do not materially impair the credit quality of the revenues pledged to repay the RRIF Lender. Pursuant to the Delegation, the Director of the Credit Office of the Build America Bureau may act and serve as the RRIF Lender's Authorized Representative under this Agreement, in addition to the Executive Director of the Build America Bureau for the purposes set forth herein.

Section 28. Servicer. The RRIF Lender may from time to time designate another entity or entities to perform, or assist the RRIF Lender in performing, the duties of the Servicer or specified duties of the RRIF Lender under this Agreement and the RRIF Bond. The RRIF Lender shall give the Borrower written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the RRIF Lender shall be deemed to be a reference to the Servicer with respect to any duties which the RRIF Lender shall have delegated to such Servicer. The RRIF Lender may at any time assume the duties of any Servicer under this Agreement and the RRIF Bond. The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

Section 29. Fees and Expenses.

(a) Commencing in Federal Fiscal Year 2018 and continuing thereafter each year throughout the term of this Agreement, the Borrower shall pay to the RRIF Lender a loan servicing fee on or before the fifteenth (15th) of November. The RRIF Lender shall establish the amount of this annual fee, and the RRIF Lender or the Servicer, if any, shall notify the Borrower of the amount, at least thirty (30) days before payment is due.

(b) In establishing the amount of the fee, the RRIF Lender will adjust the previous year's base amount in proportion to the percentage change in CPI. For the FFY 2018 calculation, the RRIF Lender will use the FFY ____ base amount of \$13,000.00, which applies to other RRIF borrowers, as the previous year's base amount. The RRIF Lender will calculate the percentage change in the CPI, before seasonal adjustment, from August of the previous year to August of the current year and will then adjust the previous year's base amount in proportion to the CPI percentage change. To calculate the amount of the fee, the RRIF Lender shall round the current year's base amount using increments of \$500. Results with the ending integers between 250-499 or between 750-999 shall be rounded upward, and results with the ending integers between 001-249 or between 501-749 shall be rounded downward. The CPI adjustments in the following years shall begin with the base amount, not the rounded fee.

(c) The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the RRIF Lender on demand from time-to-time, within thirty

(30) days after receipt of any invoice from the RRIF Lender, for any and all fees, costs, charges, and expenses incurred by it (including the reasonable fees, costs, and expenses of its legal counsel, financial advisors, auditors and other consultants and advisors, such reasonableness determined in accordance with Part 31 of the Federal Acquisition Regulation) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the other RRIF Loan Documents and the transactions hereby and thereby contemplated, including reasonable attorneys', and engineers' fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with:

(i) the enforcement of or attempt to enforce any provision of this Agreement or any of the other RRIF Loan Documents;

(ii) any amendment, modification, or requested amendment or modification of, waiver, consent, or requested waiver or consent under or with respect to, or the protection or preservation of any right or claim under, this Agreement, any other Related Document, or the Trust Estate, or advice in connection with the administration, preservation in full force and effect, and enforcement of this Agreement or any other Related Document or the rights of the RRIF Lender thereunder; and

(iii) any work-out, restructuring, or similar arrangement of the obligations of the Borrower under this Agreement or the other RRIF Loan Documents, including during the pendency of one or more Events of Default.

The obligations of the Borrower under this Section 29 (*Fees and Expenses*) shall survive the payment or prepayment in full or transfer of the RRIF Bond, the enforcement of any provision of this Agreement or the other RRIF Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring, or similar arrangement.

Section 30. Amendments and Waivers. No amendment, modification, termination, or waiver of any provision of this Agreement shall in any event be effective without the written consent of each of the parties hereto.

Section 31. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable; provided, however, that the provisions of this Agreement shall not otherwise supersede any State law applicable to the construction, financing or operation of the Project.

Section 32. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 33. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder nor any interest therein may be assigned or delegated by the Borrower without the prior written consent of the RRIF Lender.

Section 34. Remedies Not Exclusive. No remedy conferred herein or reserved to the RRIF Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 35. Delay or Omission Not Waiver. No delay or omission of the RRIF Lender to exercise any right or remedy provided hereunder upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the RRIF Lender may be exercised from time to time, and as often as may be deemed expedient by the RRIF Lender.

Section 36. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith in accordance with Section 37 (*Notices; Payment Instructions*) shall be effective as delivery of an originally executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 37. Notices; Payment Instructions. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to RRIF Lender:

Build America Bureau
United States Department of
Transportation
Room W12-464
1200 New Jersey Avenue, SE
Washington, D.C. 20590
Attention: Director, Office of
Credit Programs
Email: BureauOversight@dot.gov

with copies to:

Federal Transit Administration
San Francisco Federal Building
90, 7th Street
Suite 15-300
San Francisco, California 94103
Attention: Regional Administrator
Email: Leslie.Rogers@dot.gov

If to Borrower: Dallas Area Rapid Transit
 1401 Pacific Avenue
 Dallas, Texas 75202-7222
 Attention: [_____]

 Email: [_____]

With copies to: [Insert relevant parties]

Unless otherwise instructed by the RRIF Lender's Authorized Representative, all notices to the RRIF Lender should be made by email to the email address noted above for the RRIF Lender. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower's Authorized Representative, with respect to notices to the Borrower, or by the RRIF Lender's Authorized Representative, with respect to notices to the RRIF Lender or the Servicer. The Borrower shall make any payments hereunder or under the RRIF Bond in accordance with Section 9(d) (*Manner of Payment*) and the payment instructions hereafter provided by the RRIF Lender's Authorized Representative, as modified from time-to-time by the RRIF Lender. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 37 (*Notices; Payment Instructions*) (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 37 (*Notices; Payment Instructions*) (or in accordance with the latest unrevoked written direction from the receiving party); provided that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

Section 38. Effectiveness. This Agreement shall be effective on the Effective Date.

Section 39. Termination. This Agreement shall terminate upon the irrevocable payment in full in cash by the Borrower of the Outstanding RRIF Loan Balance, together with all accrued interest and fees with respect thereto; provided, however, that the indemnification requirements of Section 18 (*Indemnification*), the reporting and record keeping requirements of Section 21(b) (*Inspections*) and Section 21(c) (*Reports and Records*), and the payment requirements of Section 29 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

Section 40. Integration. This Agreement constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

DALLAS AREA RAPID TRANSIT

By: _____

Name: David Leininger

Title: Executive Vice President/
Chief Financial Officer

[Borrower Signature Page to RRIF DART Loan Agreement]

**UNITED STATES DEPARTMENT OF
TRANSPORTATION**, acting by and
through the Executive Director of the Build
America Bureau

By: _____
Name: _____
Title: _____

SCHEDULE I

PROJECT BUDGET

[To be provided by Borrower]

SCHEDULE II
CONSTRUCTION SCHEDULE

[To be provided by Borrower]

SCHEDULE III

**EXISTING INDEBTEDNESS, EXISTING HEDGING AGREEMENTS AND EXISTING
CREDIT ENHANCEMENTS**

[To be provided by Borrower]

SCHEDULE 14(f)
LITIGATION

SCHEDULE 14(u)

INSURANCE

[To be provided by Borrower]

EXHIBIT A
FORM OF RRIF BOND

EXHIBIT B

ANTICIPATED RRIF LOAN DISBURSEMENT SCHEDULE

<u>Borrower Fiscal Year</u>	<u>Amount</u>
	\$

EXHIBIT C

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS—
PRIMARY COVERED TRANSACTIONS**

The undersigned, on behalf of DALLAS AREA RAPID TRANSIT (the "Borrower"), hereby certifies that the Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and hereby further confirms, based on such verification, that, to its knowledge, the Borrower and its principals (as defined in 2 C.F.R. § 180.995):

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) Have not within a three (3) year period preceding the Effective Date been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three (3) year period preceding the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

(e) Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the RRIF Loan Agreement, dated as of [Dated Date], between the RRIF Lender and the Borrower, as the same may be amended from time to time.

Dated: _____

DALLAS AREA RAPID TRANSIT

By: _____
Name:
Title:

EXHIBIT D**REQUISITION PROCEDURES**

This **Exhibit D** sets out the procedures which the Borrower agrees to follow in submitting Requisitions for the disbursement of RRIF Loan proceeds in respect of the Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Section 2 through Section 4 set out the circumstances in which the RRIF Lender may reject or correct Requisitions submitted by the Borrower or withhold a disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the RRIF Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the RRIF Lender under the RRIF Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the RRIF Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower if it fails to carry out its obligations under the RRIF Loan Agreement during the term thereof.

Section 1. General Requirements. All requests by the Borrower for the disbursement of RRIF Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the RRIF Lender, in accordance with Section 37 (*Notices; Payment Instructions*) of the RRIF Loan Agreement, of a Requisition, in form and substance satisfactory to the RRIF Lender and completed and executed by the Borrower's Authorized Representative. The form of Requisition is attached as Appendix One to this **Exhibit D**. Supporting documentation should be submitted with the requisition.

The RRIF Lender agrees to promptly send to the Borrower in accordance with Section 37 (*Notices; Payment Instructions*) of the RRIF Loan Agreement, an acknowledgement of receipt of each Requisition in the form attached as Appendix Two to this **Exhibit D** setting forth the date of receipt by the RRIF Lender of such Requisition and setting forth the Business Day on which disbursement will be made absent denial by the RRIF Lender. All disbursement requests must be received by the RRIF Lender at or before 5:00 P.M. (EST) on the first (1st) Business Day of a calendar month in order to obtain disbursement by the fifteenth (15th) day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day. If a Requisition is approved by the RRIF Lender, the RRIF Lender will notify the Borrower of such approval and of the amount so approved.

Section 2. Rejection. A Requisition may be rejected in whole or in part by the RRIF Lender if it is:

- (a) submitted without signature;
- (b) submitted under signature of a Person other than a Borrower's Authorized Representative;
- (c) submitted after prior disbursement of all proceeds of the RRIF Loan; or
- (d) submitted without adequate documentation of Eligible Project Costs incurred or paid. Such documentation shall include invoices for costs incurred or paid and the

most recent certificate of or report prepared by the [independent engineer] relating to the construction of the Project (to the extent not previously delivered to the RRIF Lender).

The RRIF Lender will notify the Borrower of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified in (a), (b) or (d) above must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the RRIF Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the RRIF Lender will so notify the Borrower.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the RRIF Lender, after telephonic or email notification to the Borrower, and will thereafter be treated as if submitted in the corrected amount.

Section 4. Withholding. The RRIF Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the disbursement of RRIF Loan proceeds if:

(a) an Event of Default or event that, with the giving of notice or the passage of time or both, would constitute an Event of Default under the RRIF Loan Agreement shall have occurred and be continuing; or

(b) the Borrower:

(i) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated hereby; or

(ii) fails to construct the Project in a manner consistent with the Governmental Approvals with respect to the Project, or with good engineering practices, where such failure prevents or materially impairs the Project from fulfilling its intended purpose, or prevents or materially impairs the ability of the RRIF Lender to monitor compliance by the Borrower with applicable federal or local law pertaining to the Project or with the terms and conditions of the RRIF Loan Agreement; or

(iii) fails to observe or comply with any applicable federal or local law, or any term or condition of the RRIF Loan Agreement; or

(iv) fails to satisfy the conditions set forth in Section 4 (*Disbursement Conditions*) and Section 13(b) (*Conditions Precedent to All Disbursements*) of the RRIF Loan Agreement; or

(v) fails to deliver documentation satisfactory to the RRIF Lender evidencing Eligible Project Costs claimed for disbursement at the times and in the manner specified by the RRIF Loan Agreement; provided, that in such case the RRIF Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate documentation evidencing Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

APPENDIX ONE TO EXHIBIT D
FORM OF REQUISITION

Build America Bureau
Room W12-464
1200 New Jersey Avenue, SE,
Washington, D.C. 20590

Federal Highway Administration

Attention: Division Administrator

Re: COTTON BELT PROJECT (RRIF # [])

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) of the RRIF Loan Agreement, dated as of [Dated Date] (the "**RRIF Loan Agreement**"), by and between DALLAS AREA RAPID TRANSIT (the "**Borrower**") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Executive Director of the Build America Bureau (the "**RRIF Lender**"), we hereby request disbursement in the amount of \$[_____] in respect of Eligible Project Costs paid or incurred by or on behalf of the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the RRIF Loan Agreement. In connection with this Requisition the undersigned does hereby represent and certify the following:

1. This Requisition is Requisition number [_____].
2. The requested date of disbursement is [_____] 15, 20[___] (the "**Disbursement Date**")[, which is the first Business Day following [_____] 15, 20[_____]].
3. The amounts previously disbursed under the RRIF Loan Agreement equal, in the aggregate, \$[_____]. The amounts previously disbursed and to be disbursed under the Master Debt Resolution as of the date of the requested disbursement equal, in the aggregate, \$[_____].
4. The amounts hereby requisitioned have been paid or incurred by or on behalf of the Borrower for Eligible Project Costs and have not been paid for or reimbursed by any previous disbursement from RRIF Loan proceeds.
5. The amount of this Requisition, together with all prior Requisitions, does not exceed the amount of the RRIF Loan, and the amount of this Requisition together with the sum of all disbursements of RRIF Loan proceeds made and to be made for the current year will not exceed the cumulative disbursements through the end of the current year as set forth in the Anticipated RRIF Loan Disbursement Schedule.

6. All documentation evidencing the Eligible Project Costs to be reimbursed by the above-requested disbursement has been delivered by the Borrower at the times and in the manner specified by the RRIF Loan Agreement.
7. The Borrower has all Governmental Approvals necessary as of the date hereof and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of RRIF Loan proceeds), for the development, construction, operation and maintenance of the Project and each such Governmental Approval is in full force and effect (and is not subject to any notice of violation, breach or revocation).
8. Each of the insurance policies obtained by the Borrower in satisfaction of the condition in Section 13(a)(xvii) (*Conditions Precedent to Effectiveness*) of the RRIF Loan Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.
9. The Project has been, and is being, constructed in a manner consistent with all plans, specifications, engineering reports and facilities plans previously submitted to and approved by the RRIF Lender and the FTA Regional Office and with good engineering practices.
10. The representations and warranties of the Borrower set forth in the RRIF Loan Agreement and in each other Related Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).
11. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of RRIF Loan proceeds), (i) no Event of Default or event of default under any other Related Document and (ii) no event that, with the giving of notice or the passage of time or both, would constitute an Event of Default or event of default under any Related Document, in each case, has occurred and is continuing.
12. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred since [_____, 20__] and is continuing.¹
13. A copy of the most recent certificate or report of the [independent engineer] delivered pursuant to Section [_____] of the Master Debt Resolution has been delivered to each of the above named addressees.
14. A copy of the monthly construction progress report pursuant to Section 23(b)(i) (*Monthly Construction Progress Report*) of the RRIF Loan Agreement for the month preceding the date of the applicable Requisition has been delivered to each of the above named addresses.

¹ Insert the date on which the Borrower submitted the Application to the RRIF Lender.

15. The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5323(1)(1), to the extent the Government deems appropriate.
16. A copy of this requisition has been delivered to each of the above named addressees.
17. The undersigned is duly authorized to execute and deliver this requisition on behalf of the Borrower.

[Add wire instructions for Trustee.]

Date: _____

DALLAS AREA RAPID TRANSIT

By: _____

Name:

Title: _____

APPENDIX TWO TO EXHIBIT D

FORM OF ACKNOWLEDGMENT OF RECEIPT OF

REQUISITION FOR DISBURSEMENT OF RRIF LOAN PROCEEDS

[Borrower name and address]

Re: Receipt of Requisition for Disbursement of RRIF Loan Proceeds

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) of the RRIF Loan Agreement, dated as of [Dated Date], by and between DALLAS AREA RAPID TRANSIT (the "**Borrower**") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Executive Director of the Build America Bureau (the "**RRIF Lender**"), the undersigned authorized representative of the RRIF Lender hereby acknowledges receipt of the attached Requisition for Disbursement of RRIF Loan proceeds (the "**Requisition**") from the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the RRIF Loan Agreement. In connection therewith, we hereby represent and certify the following:

1. The date of receipt of the Requisition is [_____].
2. Unless this Requisition is denied, disbursement shall be made on or before [_____].

Date: [__]

On behalf of the RRIF Lender's Authorized Representative

Name:

Title:

APPENDIX THREE TO EXHIBIT D

[APPROVAL/DISAPPROVAL] OF THE RRIF LENDER

(To be delivered to the Borrower)

Requisition Number [●] is [approved in the amount of \$[●]] [approved in part in the amount of \$[●]] [not approved]² by the RRIF Lender (as defined herein) pursuant to Section 4 (*Disbursement Conditions*) of the RRIF Loan Agreement, dated as of [Dated Date], by and between DALLAS AREA RAPID TRANSIT (the "**Borrower**") and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the "**RRIF Lender**").

Any determination, action or failure to act by the RRIF Lender with respect to the Requisition set forth above, including any withholding of a disbursement, shall be at the RRIF Lender's sole discretion, and in no event shall the RRIF Lender be responsible for or liable to the Borrower for any and/or all consequence(s) which are the result thereof.

**UNITED STATES DEPARTMENT OF
TRANSPORTATION**, acting by and
through the Executive Director of the Build
America Bureau

By: _____
RRIF Lender's Authorized Representative
Name:
Title:
Dated:

² Attached hereto as Exhibit A are reasons for any partial or full denial of approval.

EXHIBIT A TO APPENDIX THREE TO EXHIBIT D

[Insert reasons for any partial or full denial of approval.]

EXHIBIT E**COMPLIANCE WITH LAWS**

The Borrower shall, and shall require its contractors and subcontractors at all tiers for the Project to, comply in all material respects with any and all applicable federal and state laws. The following list of federal laws is illustrative of the type of requirements generally applicable to transportation projects. It is not intended to be exhaustive.

- (i) The Americans With Disabilities Act of 1990 and implementing regulations (42 U.S.C. § 12101 *et seq.*; 28 C.F.R. § 35; 29 C.F.R. § 1630);
- (ii) Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d *et seq.*), and 49 C.F.R. § 21;
- (iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. § 4601 *et seq.*), with the understanding that the requirements of said Act are not applicable with respect to utility relocations except with respect to acquisitions by the Borrower of easements or other real property rights for the relocated facilities;
- (iv) Equal employment opportunity requirements under Executive Order 11246 dated September 24, 1965 (30 F.R. 12319), any Executive Order amending such order, and implementing regulations (29 C.F.R. §§ 1625-27, 1630; 28 C.F.R. § 35; 41 C.F.R. § 60; and 49 C.F.R. § 27);
- (v) Restrictions governing the use of federal appropriated funds for lobbying (31 U.S.C. § 1352; 49 C.F.R. Part 20);
- (vi) The Clean Air Act, as amended (42 U.S.C. § 7401 *et seq.*);
- (vii) The National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*);
- (viii) The Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 *et seq.*, as amended by Pub. 92-500);
- (ix) The environmental mitigation requirements and commitments made by the Borrower that result in RRIF Lender's approval of the Final Environmental Impact Statement (issued pursuant to 42 U.S.C. § 4332(2)(C)) and issuance of the Record of Decision for the Project;
- (x) The Endangered Species Act, 16 U.S.C. § 1531, *et seq.*;
- (xi) 23 U.S.C. § 138 and 49 U.S.C. § 303, as applicable;
- (xii) The health and safety requirements set forth in 23 C.F.R. § 635.108;
- (xiii) The prevailing wage requirements set forth in 40 U.S.C. § 276a, 23 U.S.C. § 113, as supplemented by 29 C.F.R. § 5, 23 C.F.R. §§ 635.117(f) and 635.118;

- (xiv) The Buy America requirements set forth in 23 U.S.C. § 313 and implementing regulations (23 C.F.R. § 635.410);
- (xv) The requirements of 23 U.S.C. § 101 *et seq.* and 23 C.F.R.;
- (xvi) The Cargo Preference Act of 1954, as amended (46 U.S.C. §1241(b)), and implementing regulations (46 C.F.R. Part 381); and
- (xvii) The applicable requirements of 49 C.F.R. § 26 relating to the Disadvantaged Business Enterprise program.

EXHIBIT F
[RESERVED]

EXHIBIT G
RRIF DEBT SERVICE

EXHIBIT H-1

OPINIONS REQUIRED OF COUNSEL TO BORROWER

EXHIBIT H-2

OPINIONS REQUIRED FROM BOND COUNSEL

**EXHIBIT I
RESERVED**

EXHIBIT J
FORM OF CERTIFICATE OF TRUSTEE

EXHIBIT K

FORM OF BORROWER'S OFFICER'S CERTIFICATE

EXHIBIT L

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[Letterhead of Borrower]

[Date]

RRIF Joint Program Office (HITJ)
 Federal Highway Administration
 Room E64-426
 1200 New Jersey Avenue, SE
 Washington, D.C. 20590
 Attention: Director

Project: Cotton Belt Project [RRIF Project Reference Number]

Dear Director:

This Notice is provided pursuant to Section 16(g)(i)(a) (*Substantial Completion*) of that certain RRIF Loan Agreement (the "RRIF Loan Agreement"), dated as of [Dated Date], by and between Dallas Area Rapid Transit (the "**Borrower**") and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the "**RRIF Lender**").

Unless otherwise defined herein, all capitalized terms in this Notice have the meanings assigned to those terms in the RRIF Loan Agreement.

I, the undersigned, in my capacity as the Borrower's Authorized Representative and not in my individual capacity, do hereby certify to the RRIF Lender that:

- (a) on [insert date Substantial Completion requirements were satisfied], the Project satisfied each of the requirements for Substantial Completion set forth in the [Insert reference to the concession agreement, design-build or similar agreement for the Project];
- (b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and
- (c) Substantial Completion, as defined in the RRIF Loan Agreement, has been achieved.

[Borrower's Authorized Representative]

Name:

Title:

EXHIBIT M

CERTIFICATION REGARDING THE PROHIBITION ON THE USE OF APPROPRIATED FUNDS FOR LOBBYING

The undersigned, on behalf of DALLAS AREA RAPID TRANSIT, hereby certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of the RRIF Loan.

(b) If any funds other than proceeds of the RRIF Loan have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the RRIF Loan, the Borrower shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The Borrower shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when the RRIF Lender entered into this Agreement. Submission of this certification is a prerequisite to the effectiveness of this Agreement imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Dated: _____

DALLAS AREA RAPID TRANSIT³

By: _____
Name:
Title:

³ To be executed by Borrower's Authorized Representative.

DALLAS AREA RAPID TRANSIT

SIXTEENTH SUPPLEMENTAL DEBT RESOLUTION

authorizing

DALLAS AREA RAPID TRANSIT
SENIOR LIEN SALES TAX REVENUE BONDS

Adopted September 12, 2017

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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 \$1,000,000,000, 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; AND PLEDGING ADDITIONAL REVENUES

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, 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 “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 in to, 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” - means Bracewell LLP and West & Associates, L.L.P., all of Dallas, Texas, or one or more additional firms of nationally recognized attorneys selected by the Board 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.

“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.

“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.

“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.

“Fifteenth Supplemental Debt Resolution” – means Resolution No. _____, adopted by the Board on September 12, 2017, that authorizes DART’s Senior Lien Sales Tax Revenue Bonds, Series ____.

“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.

“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.

“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 .

“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 accrued and compounded therein, as set forth herein and in the Pricing Certificate, and payable at Maturity.

“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 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 Number 130030 as amended by the First Amendment to Tenth 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 and this 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 equal to the Pledged Farebox Revenues Ratio multiplied by the Accrued Aggregate Debt Service applicable to DART’s Senior Lien Sales Tax Revenue Bonds, Series 2010B during such Debt Service Accrual Period after deducting the Federal Subsidy accrued during such Debt Service Accrual Period, as specified in the Pricing Certificate.

“Pledged Farebox Revenues Ratio” – means the ratio derived from dividing the aggregate principal amount of the Series 2010B Bonds, less the amount of the Series 2010B Bonds set forth in the Pricing Certificate with respect to the Series 2010B Bonds to be deducted from the amount of Bond Obligations DART may issue within the Voted Tax and Debt Limits, by the aggregate principal amount of the Series 2010B Bonds.

“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 this Sixteenth Supplemental Debt Resolution Number _____, approved by the Board on September 12, 2017, pursuant to the Master Debt Resolution that authorizes the issuance of 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.

“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, 2017 and (B) the annual financial information data contained in the charts set forth under “DART’S FINANCIAL PRACTICES AND RESOURCES” in DART’s Annual Disclosure Statement for the Period Ended September 30, 2017.

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 Certificate are hereby authorized to be issued from time to time, in the maximum aggregate principal amount of not to exceed \$1,000,000,000 (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.

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 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. 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:

(a)

CURRENT INTEREST BONDS

Maximum Par Amount	\$650 million
Maximum Coupon Rate	5.0%
Maximum Interest Rate (True Interest Cost-TIC)	5.0%
Maximum Underwriters Discount	0.5%
Minimum Bond Rating	AA or equivalent
Maximum Maturity Date	12/01/2057
Expiration of Initial Delegation	1 year

CAPITAL APPRECIATION BONDS

Maximum Par Amount	\$350 million*
Maximum Coupon Rate	5.0%
Maximum Interest Rate (True Interest Cost-TIC)	5.0%
Maximum Underwriters Discount	0.5%
Minimum Bond Rating	AA or equivalent
Maximum Date to Which Interest Can Be Deferred	12/01/2030
Maximum Maturity Date	12/01/2057
Expiration of Initial Delegation	1 year

*Capital Appreciation Bonds may only be issued if DART is unable to obtain a Core Capacity Grant for the D2 Subway Project or DART receives a Core Capacity Grant in an amount less than \$650 million for the D2 Subway Project.

(b) The authority granted under this Resolution to the Authorized Officers may be exercised no sooner than sixty days after notification to the Board of Directors of the issuance of the Record of Decision (ROD) or the last in time of all Records of Decision (“RODs”), as determined by an Authorized Officer, by applicable federal agency(ies) finding that the requirements of the National Environmental Policy Act have been satisfied for construction of the Project. Each member of the Board of Directors shall be notified by electronic mail upon issuance of the ROD or RODs;

(c) The authority granted under this Resolution to the Authorized Officer shall be in effect for an initial twelve month period from adoption of this Resolution and, in the event the

authority is not exercised in the initial twelve month period, the authority will automatically extend for successive twelve month periods, up to a total of sixty months;

(d) Written notice shall be provided to each member of the Board of Directors at least sixty days prior to the expiration date of each successive twelve month period by electronic mail from the Authorized Officer. Prior to issuance of any portion of the Additional Senior Lien Bonds authorized pursuant to Section 3.1, the Board may withdraw the authority to the Authorized Officer by a 2/3 vote of the statutorily authorized membership of the Board of Directors; and

(e) Absent the issuance of any of the Additional Senior Lien Bonds authorized hereby and during any period in which this Resolution remains in effect, the Board shall be briefed in December and June of each year on the status of the financing.

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 Preliminary 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

¹ Insert from Pricing Certificate.
² Insert from Pricing Certificate.
³ Insert from Pricing Certificate.

_____ 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 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 Sixteenth Supplemental Debt Resolution adopted on _____, 2017, by the Board of Directors of DART (the “Sixteenth Supplemental Resolution”) and a pricing certificate (the “Pricing Certificate”) executed pursuant to the authority delegated in the Sixteenth Supplemental Resolution. The Master Debt Resolution, the 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.

⁴ Insert from Pricing Certificate.

⁵ Insert from Pricing Certificate.

⁶ Insert from Pricing Certificate.

⁷ Insert from Pricing Certificate.

⁸ Insert from Pricing Certificate.

⁹ Insert from Pricing Certificate.

¹⁰ Insert from Pricing Certificate.

¹¹ Insert from Pricing Certificate.

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.

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

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

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 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

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

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.

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 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

Gary C. Thomas
President/Executive Director
Dallas Area Rapid Transit

Faye Moses Wilkins
Chair, DART Board of Directors,
Dallas Area Rapid Transit

Gary Slagel
Secretary of the 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: _____

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

Signature Guaranteed By: _____

Authorized Signatory

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) [Preliminary 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 Sixteenth Supplemental Debt Resolution adopted on _____, 2017, by the Board of Directors of DART (the “Sixteenth Supplemental Resolution”) and a pricing certificate (the “Pricing Certificate”) executed pursuant to the authority delegated in the Sixteenth Supplemental Resolution. The Master Debt Resolution, the 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

Gary C. Thomas
President/Executive Director
Dallas Area Rapid Transit

Faye Moses Wilkins
Chair, DART Board of Directors,
Dallas Area Rapid Transit

Gary Slagel
Secretary of the 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

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: _____

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

Signature Guaranteed By: _____

Authorized Signatory

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:

Years Principal Installments Interest Rates
 (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 and 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/registrar for the Refunded Obligations, the delivery of which shall constitute notice of redemption and notice of defeasance to such paying agent/registrar.

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, 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) defeasance;

(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; and

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

(xv) For these purposes, 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.

(b) DART shall notify the MSRB, in a timely manner, of any failure by DART to provide financial information or operating data in accordance with Section 11.1 of the Master Debt Resolution by the time required by such Section.

(c) 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 Order.

(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 Order 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 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 11.4 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 11.5 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 11.6 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 _____, 2017.

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: _____