

**TRUST AGREEMENT**

**By and Between**

**THE STATE OF NEW HAMPSHIRE**

**and**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee**

**Dated as of October 20, 2010**

**Relating to  
Federal Highway Grant Anticipation Bonds  
Issued Pursuant to the Provisions of  
New Hampshire RSA 228-A**

## **TRUST AGREEMENT**

This TRUST AGREEMENT, dated as of the 20<sup>th</sup> day of October, 2010, by and between THE STATE OF NEW HAMPSHIRE (the “State”) and The Bank of New York Mellon Trust Company, N.A., (together with any successors or assigns, the “Trustee”), a national banking association duly organized and existing under the laws of the United States and duly authorized to accept and execute trusts of the kind hereby established, having its principal office at Boston, Massachusetts, as trustee, with all capitalized words and terms herein having the meaning given such terms in Article I hereof.

### **WITNESSES THAT:**

WHEREAS, the State is authorized and empowered under RSA 228-A, as in effect on the date hereof to issue federal highway grant anticipation bonds (as further defined herein, the “Bonds”) secured by a pledge of Revenues, as defined in the Act. The State proposes to issue and sell Bonds, from time to time, for its corporate purposes and desires to enter into this Trust Agreement (as such term is hereinafter defined) for such purposes; and

WHEREAS, the Department of Transportation of the State of New Hampshire (the “Department”) has executed and delivered the Memorandum of Agreement between Federal Highway Administration and New Hampshire Department of Transportation Accounting for Debt Service Reimbursements for the I-93 Salem to Manchester Project dated as of September 24, 2010 (the “2010 Memorandum of Agreement”), as amended from time to time, regarding the financing of the I-93 Project (as defined herein), the issuance of Bonds and the pledge and transfer by the State of the Federal Highway Funds (as defined herein) to secure the payment of the Bonds; and

WHEREAS, the State has determined to finance: (i) a portion of the costs of various improvements to the Interstate 93 Salem to Manchester Corridor, as more fully described in the 2010 Memorandum of Agreement, and (ii) the costs associated with issuing the Bonds (collectively, the “I-93 Project”), through the issuance of Bonds pursuant to this Trust Agreement and one or more supplemental trust agreements (each, as further defined herein, a “Supplemental Trust Agreement”); and

WHEREAS, in consideration of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the registered owners thereof, and in order to secure the payment of the principal of, premium, if any, and interest on the Bonds and the payment, performance and observance by the State of all agreements, covenants and conditions expressed or implied herein and in the Bonds to be paid, performed and observed by any one or more of them, the State has executed and delivered this Trust Agreement;

NOW THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that to secure the payment of the principal and purchase price of, and interest and premium, if any, on the Bonds according to their true intent and meaning, to secure the payment of all amounts due under any Credit Enhancement and Liquidity Facility, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained in the Bonds, any Credit Enhancement and Liquidity Facility and this Trust Agreement, and to declare the terms and

conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds, in consideration of the execution and delivery of each Credit Enhancement and Liquidity Facility by each provider thereof and for other good and valuable consideration, the State does hereby grant a security interest in, give, bargain, sell, convey and assign to the Trustee, and to its successors in trust, and its and their assigns, all right, title and interest of the State in and to the Pledged Funds described in the Pledge, as follows, to wit:

## **PLEDGE**

The State hereby grants, pledges and assigns unto the Trustee, and to its successors in said trusts, and to its assigns, all its right, title and interest in and to, and grants a security interest in (a) the Pledged Revenues, (b) amounts, securities, and any investment earnings with respect thereto in all Funds and Accounts established by or held hereunder other than the Project Fund and the Rebate Fund, and (c) any amounts payable to the State by a Hedge Provider pursuant to a Qualified Hedge Agreement;

TO HAVE AND TO HOLD all property, interests, rights and remedies described in the foregoing Pledge unto the Trustee and its successors in said trust and its assigns forever IN TRUST upon the terms and trusts herein set forth for the equal and ratable benefit, security and protection of all present and future Holders of all Bonds from time to time issued under and secured by this Trust Agreement; PROVIDED, NEVERTHELESS, that the pledge hereby made is upon the further condition that if the State shall pay, or cause to be paid, as provided in Article XI hereof the principal of the Bonds and the premium, if any, and interest due or to become due thereon, at the times and in the manner mentioned herein and in the Bonds and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, and if the State shall perform and observe all the agreements, covenants and conditions to be performed and observed by it hereunder and under the Bonds, upon such final payments, performance and observance, this Trust Agreement shall cease;

THIS TRUST AGREEMENT FURTHER WITNESSES THAT THE BONDS AND OBLIGATIONS OF THE STATE HEREUNDER SHALL CONSTITUTE SPECIAL OBLIGATIONS OF THE STATE FOR WHICH THE FULL FAITH AND CREDIT OF THE STATE HAS NOT BEEN PLEDGED BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED FUNDS.

THIS TRUST AGREEMENT FURTHER WITNESSES that the State and the Trustee have further agreed as follows:

## **ARTICLE I.**

### **Definitions**

In this Trust Agreement unless a different meaning clearly appears from the context the following terms shall have the meaning set forth below.

“Act” shall mean the provisions of New Hampshire RSA 228-A, as in effect as of the date hereof and as hereafter amended from time to time.

“Accreted Value” shall mean with respect to any Bonds that are Capital Appreciation Bonds, an amount equal to the principal amount of such Capital Appreciation Bonds (determined on the basis of the initial principal amount per \$5,000 at maturity thereof) plus the amount assuming compounding (as set forth in the Applicable Supplemental Trust Agreement) of earnings which would be produced on the investment of such initial amount, beginning on the dated date of such Capital Appreciation Bonds and ending at the maturity date thereof, at a yield which, if produced until maturity, will produce \$5,000 at maturity. As of a Valuation Date, the Accreted Value of any Capital Appreciation Bonds shall mean the amount set forth for such date in the Applicable Supplemental Trust Agreement and as of any date other than a Valuation Date, the sum of (i) the Accreted Value on the preceding Valuation Date and (ii) the product of (1) a fraction, the numerator of which is the number of days having elapsed from and including the preceding Valuation Date and the denominator of which is the number of days from and including such preceding valuation Date to the next succeeding Valuation Date, and (2) the difference between the Accreted Values for such Valuation Dates.

“Additional Bonds” shall mean Bonds of the State issued pursuant to Section 206 hereof.

“Additional Pledged Funds” shall mean any moneys or funds hereafter pledged by the State in accordance with Section 501(b) for the purpose of further securing the payment of all Trust Agreement Obligations.

“Adjusted Bond Debt Service Requirement” shall mean, for any period for which such calculation shall be made pursuant to Section 206(b)(iv) in connection with the issuance of Additional Bonds hereunder or Section 207(b)(iv) in connection with the issuance of Refunding Bonds hereunder, the aggregate Bond Debt Service Requirement on Bonds Outstanding during such period, taking into account the following adjustments:

- (i) With respect to Variable Rate Bonds, the aggregate Bond Debt Service Requirement thereon shall be determined based upon an interest rate equal to the Assumed Rate, calculated as of such date of determination; provided, however, if the State (1) enters into a Qualified Hedge Agreement with a Hedge Provider pursuant to Section 210 hereof requiring the State to pay a fixed interest rate or providing for a maximum interest rate on a notional amount, and (2) has made a determination that such Qualified Hedge Agreement was entered into for the purpose of providing substitute interest payments or limiting the potential increase in the interest rate for a particular maturity of Bonds in a principal amount equal to the notional amount of the Qualified Hedge Agreement, then during the term of such Qualified Hedge Agreement and so long as the Hedge Provider under such Qualified Hedge Agreement is not in default under such Qualified Hedge Agreement, the interest rate on such Bonds shall be determined as if such Bonds bore interest at the fixed interest rate or maximum interest rate, as the case may be, payable by the State under such Qualified Hedge Agreement;

- (ii) with respect to Fixed Rate Bonds, if the State (1) enters into a Qualified Hedge Agreement with a Hedge Provider pursuant to Section 210 hereof requiring the State to pay a variable interest rate on a notional amount and (2) has made a determination that such Qualified Hedge Agreement was entered into for the purpose of providing substitute interest payments for a particular maturity of Bonds in a principal amount equal to the notional amount of the Qualified Hedge Agreement, then during the term of such Qualified Hedge Agreement and so long as the Hedge Provider under such Qualified Hedge Agreement is not in default under such Qualified Hedge Agreement, the interest rate on such Bonds shall be determined as if such Bonds bore interest at the Assumed Hedge Rate;
- (iii) with respect to Tender Bonds, the aggregate Bond Debt Service Requirement thereon shall not include amounts payable upon mandatory or optional tender, but shall be deemed to include all periodic Bond Related Costs and other payments to the provider of any Liquidity Facility, and shall not be based upon the terms of any Reimbursement Obligation to such provider except to the extent and for periods during which Bond Related Costs and other payments are required to be made pursuant to such Reimbursement Obligation due to such provider advancing funds and only to the extent provided in the Applicable Supplemental Trust Agreement;
- (iv) with respect to Build America Bonds and the Recovery Zone Economic Development Bonds, if any, the aggregate Bond Debt Service Requirements thereon shall be reduced by an amount equal to any subsidy payments expected to be received during the applicable period by the State from the federal government with respect to a portion of the interest payable on such Build America Bonds and Recovery Zone Economic Development Bonds; and
- (v) with respect to Bonds that have Credit Enhancement, the aggregate Bond Debt Service Requirement thereon shall be deemed to include all periodic Bond Related Costs and other payments to the provider of the Credit Enhancement, but shall not be based upon the terms of any Reimbursement Obligation to such provider except to the extent and for periods during which Bond Related Costs and other payments are required to be made pursuant to such Reimbursement Obligation due to such provider advancing funds.

“Advance Refunded Municipal Bonds” shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (ii) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations which fund may be applied only to the payment of interest when due, principal of

and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable notice, as appropriate, and (iii) as to which the principal of and interest on the Government Obligations which have been deposited in such fund along with any cash on deposit in such fund is sufficient to pay interest when due, principal of and redemption premium, if any, on the bonds or other obligations described in this definition on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable notice referred to in subclause (i) above, as appropriate.

“Applicable Supplemental Trust Agreement” shall mean with respect to any Series of Bonds, the Supplemental Trust Agreement authorizing such Series of Bonds.

“Appreciated Value” shall mean with respect to Bonds that are Deferred Income Bonds until the Interest Commencement Date thereon, an amount equal to the principal amount of such Deferred Income Bond (determined on the basis of the initial principal amount per \$5,000 at the Interest Commencement Date thereof) plus the amount, assuming compounding (as set forth in the Applicable Supplemental Trust Agreement) of earnings which would be produced as the investment of such initial amount, beginning on the dated date of such Deferred Income Bond and ending on the Interest Commencement Date, at a yield which, if produced until the Interest Commencement Date, will produce \$5,000 at the Interest Commencement Date. As of any Valuation Date, the Appreciated Value of any Bonds that are Deferred Income Bonds shall mean the amount set forth for such date in the Applicable Supplemental Trust Agreement and as of any date other than a Valuation Date, the sum of (i) the Appreciated Value on the preceding Valuation Date and (ii) the product of (1) a fraction, the numerator of which is the number of days having elapsed from and including the preceding Valuation Date to the Valuation Date and the denominator of which is the number of days from and including such preceding valuation Date to and including the next succeeding Valuation Date, and (2) the difference between the Appreciated Values for such Valuation Dates.

“Assumed Hedge Rate” shall have the meaning given such term under Section 210(c).

“Assumed Rate” shall mean, with respect to any Variable Rate Bonds, the SIFMA Index or 3%, whichever is higher, plus 1.50%, or such other rate as may be provided in any Applicable Supplemental Trust Agreement.

“Authorized Newspapers” shall mean no fewer than two newspapers or financial journals of general circulation (or substantial circulation in the financial community), one in the City of Boston, Massachusetts, and one in the Borough of Manhattan, City and State of New York, each customarily published at least once a day for at least five days (other than legal holidays) in each calendar week and printed in the English language.

“Authorized Officer” shall mean the State Treasurer or any designee thereof and, when used in reference to an act or document, shall also mean any other person authorized by law to perform such act or sign such document.

“Balloon Indebtedness” means any Bonds 25% or more of the principal payments of which are due in a single Federal Fiscal Year, which portion of the principal is not required

by the Applicable Supplemental Trust Agreement authorizing the issuance of such Bonds to be amortized by payment or redemption prior to such Federal Fiscal Year.

“Bond Counsel” shall mean any lawyer or firm of lawyers nationally recognized in the field of municipal finance and selected by the State Treasurer.

“Bond Debt Service Requirement” shall mean, for any period of calculation or with respect to any date, the aggregate of the interest, principal amount, and Sinking Fund Payments due or to become due other than by reason of redemption or tender for purchase at the option of the State or the registered owner of any Bonds on all Bonds Outstanding during such period or on such date; provided, however, for purposes of this definition, the scheduled principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of Sinking Fund Payments shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the period in or date on which such amounts become due for payment, unless otherwise provided in the Applicable Supplemental Trust Agreement authorizing such Capital Appreciation Bonds or Deferred Income Bonds.

“Bondholder” or “Holder,” when used with reference to Bonds, shall mean the Registered Owner of the Bonds from time to time as shown on the register for a particular Series of Bonds held by the Paying Agent for such Series of Bonds.

“Bond Payment Date” shall mean each date on which Bond Payments are due, or set forth in each Applicable Supplemental Trust Agreement.

“Bond Payments” shall mean (a) with respect to any Bond, other than a Capital Appreciation Bond or Deferred Income Bond, the interest due on such Bond on each Interest Payment Date and the principal, redemption premium, if any, and interest due on such Bond at maturity or on any redemption date; (b) with respect to a Capital Appreciation Bond or Deferred Income Bond, the Accreted Value or Appreciated Value, respectively, due on such Bond at maturity; and (c) any amounts payable to the provider of a Credit Facility or a Qualified Hedge Agreement that are treated as Bond Payments pursuant to clause (iii) below.

For purposes of this definition:

- (i) Bond Payments due on any Interest Payment Date that are payable from accrued interest or capitalized interest held in the Debt Service Fund pursuant to an Applicable Supplemental Trust Agreement will be excluded in determining the amount of Bond Payments due in the Federal Fiscal Year in which such Interest Payment Date occurs for purposes of determining the amount of Federal Highway Funds for which Federal Aid Agreements are to be in force and effect pursuant to Section 606 hereof.
- (ii) If any Bonds bear interest at an adjustable or variable interest rate such that the Bond Payments due in a Federal Fiscal Year or on a Bond Payment Date cannot be determined with certainty on the date on which Federal Highway Funds are to be paid to the Trustee pursuant to Section

604 hereof, the amount of interest included in the Bond Payments due on such Bonds in such Federal Fiscal Year or on such Bond Payment Date shall be based on the interest rate estimated by the State, or as stated in any Applicable Supplemental Trust Agreement relating thereto.

- (iii) If the State purchases or arranges for a Credit Facility or a Qualified Hedge Agreement with respect to any Bonds, (A) moneys paid to the provider of the Credit Facility to reimburse the provider for moneys paid by the provider that are used to make Bond Payments (as defined in the first two sentences of this definition) and (B) moneys paid to the provider of the Qualified Hedge Exchange Agreement may, if and to the extent provided in an Applicable Supplemental Trust Agreement or in a separate agreement between the State and the Credit Facility or Qualified Hedge Agreement provider entered into, be treated as Bond Payments on the Bonds to which the Credit Facility or Qualified Hedge Agreement relates.
- (iv) With respect to Balloon Indebtedness, there shall be excluded from Bond Payments due in any period any principal installment of Balloon Indebtedness due in such period, whether at maturity or pursuant to mandatory redemption, if the State has designated prior to the payment or redemption date available and unrestricted funds for such payment or redemption or has received a binding commitment from a recognized financial institution to refinance such principal on reasonable terms.

“Bond Related Costs” shall mean all costs, fees and expenses of the State incurred or related to any Liquidity Facility, Credit Enhancement, any remarketing or other secondary market transactions, any fees of Bond Counsel, attorneys, financial advisors, Fiduciaries, remarketing agents, rebate consultants, accountants and others, retained by the State in connection with a Series, and any other fees, charges and expenses that may be lawfully incurred by the State to a provider of any Credit Enhancement or Liquidity Facility other than amounts paid as the Costs of Issuance for a Series, to repay or reimburse any amounts paid by such provider due to a payment under such Credit Enhancement or Liquidity Facility and any interest on such repayment obligation unless any such amount constitutes a Bond Debt Service Requirement for such Series.

“Bond Related Costs Fund” shall mean the fund so designated and created by Section 502.

“Bonds” shall mean any of the Bonds of the State authenticated and delivered under this Trust Agreement, including the Initial Bonds and any Additional Bonds.

“Build America Bonds” shall have the meaning set forth in Section 54AA of the Code and Section 203(i) hereof.



“Business Day” shall mean any day (other than a Saturday or Sunday) on which banks located in the cities in which a principal office of the Trustee or the Paying Agent are located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“Capital Appreciation Bonds” shall mean any Bonds as to which interest is payable only at the maturity or prior redemption thereof. For the purposes of (i) receiving payment of the redemption price, if any, of a Capital Appreciation Bond that is redeemed prior to maturity, and (ii) computing the principal amount of Capital Appreciation Bonds held by the Holder thereof in giving any notice consent, request, or demand pursuant to the Applicable Supplemental Trust Agreement for any purpose whatsoever, the principal amount of a Capital Appreciation Bond as of a specific date shall be deemed to be its Accreted Value as of such date.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Costs of Issuance” shall mean all items of expense directly or indirectly payable or reimbursable by or to the State and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Fiduciaries, legal fees and charges, fees and disbursements of consultants and professionals, costs and expenses of refunding, fees, expenses and other amounts payable to any underwriters of the Bonds, accrued interest payable upon the initial investment of the proceeds of Bonds, fees and expenses payable in connection with any Credit Enhancement or Liquidity Facility, fees and expenses payable in connection with any remarketing agreements or interest rate indexing agreements, payable in connection with the original issuance of the Bonds and any other cost, charge or fee payable in connection with the original issuance of Bonds.

“Conditional Redemption” shall have the meaning given such term in Section 405(a) hereof.

“Council” shall mean the Executive Council of the State.

“Credit Enhancement” shall mean any agreement, including, but not limited to a policy of bond insurance, surety bond, irrevocable letter of credit, credit agreement, credit facility or guaranty arrangement with a bank, trust company, insurance company, surety company, pension fund or other financial institution that provides increased credit on or security for any Series (or portion thereof) of Bonds.

“Debt Service Fund” shall mean the fund so designated and created by Section 502.

“Defeasance Obligations” shall mean Government Obligations and Advance Refunded Municipal Bonds.

“Deferred Income Bonds” shall have the meaning given such term in Section 203(h) hereof.

“Department” shall mean the New Hampshire Department of Transportation.

“Discount Bonds” shall have the meaning given such term in Section 203(g) hereof.

“Federal Aid Agreements” shall mean all agreements between or among the State and/or the Department and FHWA with respect to Projects in accordance with the provisions of Title 23, including without limitation, the 2010 Memorandum of Agreement.

“Federal Fiscal Year” shall mean the period beginning on October 1 of any calendar year and ending on September 30 of the succeeding calendar year or such other period of twelve consecutive calendar months as may be provided by law as the fiscal year of the United States.

“Federal Highway Construction Program” shall mean all federally-aided highway construction projects undertaken by the State at any time prior to or after (so long as any Bonds remain Outstanding) the date of execution of this Trust Agreement as part of the State’s program of transportation development and improvements.

“Federal Highway Grant Anticipation Bond Trust Fund” shall mean the federal highway grant anticipation bond trust fund established by Section 10 of the Act.

“Federal Highway Funds” shall mean all federal highway construction reimbursements and any other federal highway assistance received by or on behalf of, or available to, the State from time to time with respect to the Federal Highway Construction Program under or in accordance with Title 23 of the United States Code or any successor program established under federal law.

“FHWA” shall mean the Federal Highway Administration or any successor agency.

“Fiduciary” shall mean the Trustee or any Paying Agent.

“Fixed Rate Bonds” shall have the meaning given such term in Section 203(b) hereof.

“Government Obligations” shall mean (i) direct obligations of, or obligations the timely payment of principal and interest on which are unconditionally guaranteed by, the United States of America.

“Governor” shall mean the Governor of the State.

“Hedge Provider” shall mean the counterparty with whom the State enters into a Qualified Hedge Agreement.

“I-93 Project” shall mean the I-93 Salem to Manchester Project as described in the 2010 Memorandum of Agreement.

“Immediate Notice” means notice transmitted by electronic means, in writing, by telecopier or other electronic means or by telephone (promptly confirmed in writing), and received by the party addressed.

“Initial Bonds” shall mean the Bonds authorized by Section 205.

“Interest Commencement Date” shall mean with respect to any Deferred Income Bonds, the date specified in the Applicable Supplemental Trust Agreement (which date must be prior to the maturity date for such Deferred Income Bonds), after which interest accruing on such Deferred Income Bonds shall be payable with the first such payment date being the applicable interest payment date immediately succeeding such Interest Commencement Date.

“Interest Payment Date” shall mean for each Series of Bonds, the date on which interest on the Bonds of such Series shall be payable as provided in the Applicable Supplemental Trust Agreement.

“Liquidity Facility” shall mean any agreement with a bank, trust company, insurance company, surety company, pension fund or financial institution under which it agrees to purchase Tender Bonds.

“Maximum Annual Debt Service” shall mean the greatest Bond Debt Service Requirement (or, in the case of any calculation pursuant to Section 206(b)(iv) or Section 207(b)(iv) hereof, the Adjusted Bond Debt Service Requirement) during the current or any future Federal Fiscal Year commencing after the date of such calculation on all Outstanding Bonds. The method for determining Maximum Annual Debt Service for Variable Rate Bonds shall be set forth in the Applicable Supplemental Trust Agreement.

“2010 Memorandum of Agreement” shall have the meaning set forth in the Whereas clauses to this Trust Agreement.

“Notice of Redemption or Defeasance” shall have the meaning given such term in Section 504(c).

“Obligation Authority” shall mean the annual limitation on the amount of eligible costs under Title 23 of the United States Code that the State may obligate with respect to the Federal Highway Construction Program during a given Federal Fiscal Year, as specified in annual Federal appropriations acts.

“Outstanding,” when used with reference to Bonds, shall mean as of a particular date, all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the State or a Fiduciary at or before said date, (ii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III or Section 406 or Section 1006 and (iii) Bonds deemed to have been paid as provided in Section 1101.

“Paying Agent” shall mean any paying agent or co-paying agent for Bonds of any Series appointed pursuant to the Trust Agreement or an Applicable Supplemental Trust Agreement and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Trust Agreement.

“Permitted Investments” shall mean and include any of the following, if and to the extent the same are at the time legal for investment of State funds:

- (i) Government Obligations;

- (ii) direct obligations of, or obligations guaranteed as to timely payment of principal and interest by, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Federal Farm Credit System;
- (iii) demand and time deposits in or certificates of deposit of, or bankers' acceptances issued by, any bank or trust company, savings and loan association or savings bank, if such deposits or instruments are rated in one of the two highest Rating Categories by any Rating Agency then maintaining a rating on any Bonds Outstanding and the long-term unsecured debt obligations of the institution holding the related account are rated in one of the two highest Rating Categories by any Rating Agency then maintaining a rating on any Bonds Outstanding;
- (iv) general obligations of, or obligations guaranteed by, any state of the United States or the District of Columbia rated in one of the two highest long-term Rating Categories by any Rating Agency then maintaining a rating on any Bonds Outstanding;
- (v) commercial or finance company paper (including both non-interest-bearing discount obligations and interest bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) that is rated in one of the two highest Rating Categories by any Rating Agency then maintaining a rating on any Bonds Outstanding;
- (vi) repurchase obligations with respect to any security described in clause (i) or (ii) above entered into with a broker/dealer, depository institution or trust company (acting as principal) meeting the rating standards described in clause (iii) above;
- (vii) securities bearing interest or sold at a discount that are issued by any corporation incorporated under the laws of the United States of America or any state thereof and rated in one of the two highest Rating Categories by any Rating Agency then maintaining a rating on any Bonds Outstanding at the time of such investment or contractual commitment providing for such investment; provided, however, that securities issued by any such corporation will not be Permitted Investments to the extent that investment therein would cause the then outstanding principal amount of securities issued by such corporation that are then held to exceed 20% of the aggregate principal amount of all Permitted Investments then held;
- (viii) units of taxable money market funds which funds are regulated investment companies and seek to maintain a constant net asset value per share and have been rated in one of the two highest Rating Categories by any Rating Agency then maintaining a rating on any Bonds Outstanding;

- (ix) 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, at the time such agreement or contract is entered into, in one of the two highest Rating Categories for comparable types of obligations by any Rating Agency then maintaining a rating on any Bonds Outstanding;
- (x) investment agreements with a corporation whose principal business is to enter into such agreements if (a) such corporation and the investment agreements of such corporation are each rated in one of the two highest Rating Categories by any Rating Agency then maintaining a rating on any Bonds Outstanding and (b) the State has an option to terminate each agreement in the event that such rating is downgraded below such two highest Rating Categories; or
- (xi) any agreement providing for the purchase by the State or the Trustee of Permitted Investments described above from a financial institution at the time of execution of the agreement, from time to time during the term of the agreement or any combination thereof in exchange for valuable consideration from the financial institution, which consideration may be (a) payable at the time of execution of the agreement, from time to time during the term of the agreement or any combination thereof, (b) expressed in terms of a yield to the State or the Trustee on the purchase of such Permitted Investments, (c) an agreement by the financial institution to purchase the Permitted Investments at a price specified in the agreement, or (d) in such other form as the State or the Trustee and the financial institution may agree; provided that, a specific written agreement governs the transactions.

provided that no Permitted Investment may (a) evidence the right to receive only interest with respect to the obligations underlying such instrument or (b) be purchased at a price greater than par if such instrument may be prepaid or called at a price less than its purchase price prior to its stated maturity.

“Person” means a corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

“Pledged Funds” shall have the meaning given such term under Section 501 hereof.

“Pledged Revenues” shall mean all eligible Federal Highway Funds hereafter received by the State and any other moneys deposited to or held for the credit of the Federal Highway Grant Anticipation Bond Trust Fund established pursuant to Section 10 of the Act (other than in the Project Fund) so long as any Bonds remain Outstanding and any rights to receive the same. Such term includes any funds paid by FHWA to the Trustee directly pursuant to Section 604 hereof or

otherwise that would have been paid by FHWA to the State but for a specific agreement between the FHWA and the Department and/or the State to pay such moneys directly to the Trustee.

“Principal Installment” shall mean, as of any particular date of computation and with respect to Bonds of a particular Series, an amount of money equal to the aggregate of (i) the principal amount of Outstanding Bonds of said Series which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds which would at or before said future date be retired by reason of the payment when due and application in accordance with the Trust Agreement of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Bonds, plus (ii) the amount of any Sinking Fund Payment payable on said future date for the retirement of any Outstanding Bonds of said Series.

“Projects” shall mean the I-93 Project and any other project authorized to be financed under the Act by the issuance of Bonds, as described in an Applicable Supplemental Trust Agreement, and which is the subject of or described in a Federal Aid Agreement.

“Project Fund” shall mean the fund so designated and created by Section 502.

“Purchase Price” shall mean an amount equal to the principal amount of any Bonds purchased under the terms of the Applicable Supplemental Trust Agreement, plus accrued interest, if any.

“Qualified Hedge Agreement” shall mean an interest rate exchange or similar agreement between the State and a Hedge Provider relating to the Bonds and based upon a notional amount, where (i)(a) the Hedge Provider, or the person who guarantees the obligation of the Hedge Provider to make any payments due to the State, has unsecured long-term obligations rated, or (b) the hedge agreement itself is rated, in each case as of the date the hedge agreement is entered into, by any Rating Agency then maintaining a rating on the Bonds Outstanding in one of the two highest Rating Categories of any such Rating Agency then maintaining a rating on the Bonds Outstanding but in no event lower than the Rating Category designated by such Rating Agency for the Bonds Outstanding subject to such hedge agreement or (ii) the State receives a Rating Confirmation with respect to entering into such agreement.

“Rating Agency” shall mean any of Moody’s Investors Service Inc., Standard & Poor’s Ratings Group, Inc. and Fitch Ratings Inc. and their respective successors or assigns.

“Rating Categories” shall mean rating categories as published by a Rating Agency in its written compilations of ratings and any written supplement or amendment thereto and any such Rating Category shall be determined on the generic rating without regard to any modifiers and, unless otherwise specified herein or in an Applicable Supplemental Trust Agreement, shall be long term ratings.

“Rating Confirmation” means evidence that no Bond rating then in effect from a Rating Agency will be withdrawn or reduced solely as a result of an action to be taken hereunder.

“Rebate Fund” shall mean the fund so designated and created by Section 502.

“Rebate Fund Requirement” shall mean, as of any date of calculation, an amount equal to the aggregate of the amounts, if any, calculated in accordance with each Applicable Supplemental Trust Agreement authorizing the issuance of a Series of Tax Exempt Bonds as the amount required to be maintained in the Rebate Fund with respect to such Bonds.

“Recovery Zone Economic Development Bonds” shall have the meaning set forth in Section 1400U-2 of the Code and Section 203(i) hereof.

“Redemption Fund” shall mean the fund so designated and created by Section 502.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof plus the premium, if any, payable upon redemption thereof.

“Refunding Bonds” shall mean any of the Bonds authorized by Section 207.

“Registered Owner” or “owners” shall mean the registered owner of a Bond of a particular Series of Bonds as shown on the register for such Series of Bonds.

“Reimbursement Obligation” shall have the meaning given such term under Section 209 hereof.

“Securities Depository” shall mean a Person that is registered as a clearing agency under Section 17A of the Securities and Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of such Act for the purposes of Section 17A thereof.

“Series” when used with respect to less than all of the Bonds, shall mean such Bonds designated as a Series of Bonds pursuant to a Supplemental Trust Agreement.

“SIFMA Index” means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry & Financial Markets Association (formerly the Bond Market Association)(“SIFMA”) or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee and effective from such date.

“Sinking Fund Payment” shall mean, as of any particular date of computation and with respect to Bonds of a particular Series, the amount of money required by any Supplemental Trust Agreement to be paid by the State on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the State by reason of the redemption of Bonds at the election of the State.

“State” shall mean the State of New Hampshire.

“State Fiscal Year” shall mean the period beginning on July 1 of any calendar year and ending on June 30 of the succeeding calendar year or such other period of twelve consecutive calendar months as may be provided by law as the fiscal year of the State.

“State Treasurer” shall mean the Treasurer of the State or any Deputy Treasurer of the State acting on the State Treasurer’s behalf.

“Supplemental Trust Agreement” shall mean any Trust Agreement of the State amending or supplementing this Trust Agreement adopted and becoming effective in accordance with the terms of Article IX.

“Tax Exempt Bonds” shall mean any Bonds accompanied by a Bond Counsel’s opinion upon the original issuance thereof that the interest on such Bonds is not includable in the gross income of the holder thereof for Federal income tax purposes.

“Tender Bonds” shall have the meaning given such term in Section 203(d) hereof.

“Trust Agreement Obligations” shall mean, with respect to any period or date of calculation, the sum of the Bond Debt Service Requirement during such period or on such date, plus all Bond Related Costs due or to become due during such period or on such date, plus required deposits, if any, to the Rebate Fund during such period or on such date.

“Trustee” shall mean the trustee appointed in accordance with Section 801, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Trust Agreement.

“Valuation Date” shall mean (i) with respect to any Bonds that are Capital Appreciation Bonds, the date or dates set forth in the Applicable Supplemental Trust Agreement on which specific Accreted Values are assigned to such Bonds and (ii) with respect to any Bonds that are Deferred Income Bonds, the date or dates prior to the Interest Commencement Date set forth in the Applicable Supplemental Trust Agreement on which specific Appreciated Values are assigned to such Bonds.

“Variable Rate Bonds” shall have the meaning given such term in Section 203(c) hereof.

“Variable Rate Ceiling” shall have the meaning given such term in Section 203(c) hereof.

The terms “herein,” “hereunder,” “hereby,” “hereof” and any similar terms refer to this Trust Agreement as a whole, the term “heretofore” shall mean before the effective date of this Trust Agreement, and the term “hereafter” shall mean after the effective date of this Trust Agreement. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations and corporations, and words of the masculine or feminine gender shall include correlative words of the masculine, feminine and neuter genders.

## **ARTICLE II.**

### **Authorization and Issuance of Bonds**

SECTION 201. Authority for Trust Agreement. This Trust Agreement has been executed and delivered pursuant to the Act.



SECTION 202. Trust Agreement to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, this Trust Agreement shall constitute a contract between the State and the registered owners from time to time of the Bonds, and the pledge made in this Trust Agreement and the covenants and agreements therein set forth to be performed by or on behalf of the State shall be for the equal benefit, protection and security of the registered owners of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise expressly provided in or permitted by this Trust Agreement.

SECTION 203. Authorization of the Bonds.

(a) Subject to the approval of the Governor and Council, the State is authorized to issue one or more series of Bonds hereunder to be designated “Federal Highway Grant Anticipation Bonds” and shall bear such further designation as required by law or as determined by the State Treasurer, which Bonds may be issued as hereinafter provided from time to time, without limitation as to amount except as provided in this Trust Agreement or as limited by law. The Bonds may, if and when authorized by one or more Supplemental Trust Agreements, be issued in one or more Series, and the designation thereof, may include such further appropriate designations added to or incorporate in such title for the Bonds of any particular Series as the State may determine. The Bonds may be issued as Fixed Rate Bonds, Variable Rate Bonds, Tender Bonds, Capital Appreciation Bonds, Deferred Income Bonds, Discount Bonds, Build America Bonds or Recovery Zone Economic Development Bonds or any combination thereof in accordance with applicable provisions set forth below and the Applicable Supplemental Trust Agreement.

(b) The State may issue Bonds (“Fixed Rate Bonds”) hereunder which bear a fixed rate or rates of interest during the term thereof. The Applicable Supplemental Trust agreement shall specify the rate or rates of interest borne by such Bonds.

(c) The State may issue Bonds (“Variable Rate Bonds”) hereunder which provide for a variable, adjustable, convertible or other similar rates of interest, not fixed as to percentage at the date of issue for the term thereof. The Applicable Supplement Trust Agreement shall specify:

(i) the method or methods for determining the interest rate borne by such Bonds and the frequency of change thereof;

(ii) the maximum interest rate (the “Variable Rate Ceiling”) payable on such Bonds during the term thereof; and

(iii) if deemed desirable by the State provisions with respect to the conversion of such Bonds to Fixed Rate Bonds and the further conversion of such Fixed Rate Bonds to Variable Rate Bonds.

The method or methods for determining the interest rate on Variable Rate Bonds pursuant to (i) above may include the selection of such rate by an indexing agent as provided in an agreement between the State and such agent, the utilization of an index or indices as described in the

Applicable Supplemental Trust Agreement, or such other standard or standards set forth by the State in the Applicable Supplemental Trust Agreement or any combination of the foregoing.

(d) The State may provide that any Series of Bonds may include an option exercisable by the registered owners thereof to have such Bonds (“Tender Bonds”) either repurchased or redeemed prior to the maturity thereof. The State Treasurer shall provide the Trustee and each Rating Agency then maintaining a rating on any Bonds Outstanding with at least thirty (30) days’ prior written notice of the State’s intention to issue any Tender Bonds hereunder. The Applicable Supplemental Trust Agreement shall specify:

(i) the period or periods during which and the circumstances under which such option may be exercised, including provisions for the variation of such periods;

(ii) provisions, as the State shall deem desirable, with respect to the repurchase of such Bonds and the remarketing thereof, including provisions with respect to the appointment of the remarketing agent therefor; and

(iii) provisions, as the State shall deem desirable, for the adjustment of the interest rate or maturity of such Bonds upon the exercise of any such option.

Any Tender Bonds which shall have been repurchased pursuant to any remarketing agreement and not otherwise redeemed by the State shall continue to be Outstanding Bonds hereunder. Any Tender Bonds issued hereunder shall be secured by a Liquidity Facility providing for the repurchase or payment of any tender price of Tender Bonds which have not been remarketed upon tender of such Bonds and any accrued and unpaid interest due on such Bonds upon the tender date thereof. The provider of any such Liquidity Facility shall have a rating on its short term obligations within the highest Rating Category from any Rating Agency then maintaining a rating on the Bonds Outstanding.

(e) Any Variable Rate Bonds which contain an option to convert such Bonds to Fixed Rate Bonds shall be deemed Variable Rate Bonds hereunder until the date of such conversion and on and after such date, such Bonds shall be deemed Fixed Rate Bonds.

(f) The State may issue Bonds (“Capital Appreciation Bonds”) which provide for the addition of accrued and unpaid interest to the principal due thereon upon such terms with respect thereto determined by an Applicable Supplemental Trust Agreement. The Applicable Supplemental Trust Agreement shall specify interest rate or rates for such Bonds and the Accreted Values of any such Bonds.

(g) The State may issue Bonds (“Discount Bonds”) which either bear a zero stated rate of interest or bear a stated rate of interest such that such Bonds are sold at a price less than the aggregate principal amount thereof in order to provide such yield thereon as deemed appropriate and desirable thereon by the State. In the Applicable Supplemental Trust Agreement for any Discount Bonds, the State may provide for the determination of the “principal amount” and “interest” payable on such Bonds and, if so provided in the Applicable Supplemental Trust Agreement, for the purposes hereof such terms with respect to such Bonds shall have the meaning given in such Applicable Supplemental Trust Agreement.

(h) The State may issue Bonds (“Deferred Income Bonds”) which provide for the deferral of interest on such Bonds until the Interest Commencement Date. The Applicable Supplemental Trust Agreement shall specify the interest rate or rates for such Bonds and Interest Commencement Date for such Bonds.

(i) The State may issue Bonds (“Build America Bonds” or “Recovery Zone Economic Development Bonds”), as specified by the State at the time of issuance thereof) which provide for a subsidy payment to be received by the State from the federal government with respect to a portion of the interest payable on such Bonds. The Applicable Supplemental Trust Agreement shall authorize the State Treasurer to make any elections, certifications, representations, agreements, modifications or amendments required with respect to any such Bonds, including, without limitation, to the extent permitted or authorized by law, the allocation to the Debt Service Fund, as determined by the State Treasurer, of any subsidy payment received by the State from the federal government with respect to a portion of the interest payable on such Bonds.

SECTION 204. General Provisions for Issuance of Bonds.

(a) Bonds of any Series shall be authorized by a Supplemental Trust Agreement, which shall be authorized by the Governor and Council, and which shall specify:

(i) The authorized principal amount, designation, manner of numbering and lettering and Series of such Bonds;

(ii) the provisions of Section 203(b), (c), (d), (e), (f), (g) and/or (h) applicable to such Series of Bonds;

(iii) the purpose for which such Bonds are being issued, which shall be one or more of the purposes specified in Sections 205, 206 or Section 207;

(iv) the date of such Bonds and the date or dates of maturity thereof;

(v) the Redemption Price or Prices and the time or times and other terms of redemption, if any, of any of such Bonds;

(vi) the amount and date of each Sinking Fund Payment, if any, required to be paid for the retirement of any of such Bonds of like maturity, expressed as an amount payable on an interest payment date of such Bonds sufficient to redeem or pay at the applicable Redemption Price thereof on said date a specified principal amount of the Bonds of said maturity;

(vii) the manner in which the proceeds of such Bonds are to be applied;

(viii) if so determined by the State Treasurer, provisions for sale of such Bonds;

(ix) the additions and variations, if any, to the form of the Bonds as set forth in Article XII applicable to the amortization and redemption provisions of such Bonds;

(x) any provisions required or, if so determined by the State Treasurer, permitted by Section 203;

(xi) specification of record dates or provisions with respect thereto for purposes of determining the registered owners to whom interest shall be paid; and

(xii) any other provisions deemed advisable by the State Treasurer not in conflict with this Trust Agreement; provided that any Applicable Supplemental Trust Agreement may delegate to the State Treasurer the power to determine any of the matters referenced in this Section 204(a) at or prior to the date of issuance of the applicable Series of Bonds.

(b) Each Applicable Supplemental Trust Agreement shall provide for Principal Installments sufficient to retire all Bonds of the Series authorized not later than the last maturity date of such Series and shall otherwise mature in amounts and at such dates consistent with the Act and other provisions of law establishing the term for Bonds issued under the Act.

(c) The Bonds of each Series shall be executed by the State Treasurer and the Governor and delivered to the Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of the State, but only upon notification by the Trustee that it has received:

(i) A Bond Counsel's opinion to the effect that (a) the State has the right and power under the Act to enter into this Trust Agreement and the Applicable Supplemental Trust Agreement and each has been duly and lawfully executed on behalf of the State by the State Treasurer, this Trust Agreement and the Applicable Supplemental Trust Agreement are in full force and effect and are valid and binding upon the State and enforceable in accordance with their terms, and no other authorization for this Trust Agreement and the Applicable Supplemental Trust Agreement is required, (b) this Trust Agreement creates the valid pledge which it purports to create of the Pledged Funds in the manner and to the extent provided herein and the Applicable Supplemental Trust Agreement and (c) the Bonds of such Series are valid and binding special obligations of the State, enforceable in accordance with their terms and the terms of this Trust Agreement and entitled to the benefits of the Act and this Trust Agreement;

(ii) A written order of an Authorized Officer as to the authentication and delivery of such Bonds;

(iii) This Trust Agreement and the Applicable Supplemental Trust Agreement executed by the State Treasurer and the Trustee;

(iv) The instruments or agreements evidencing or representing any Credit Enhancement or Liquidity Facility required by the Applicable Supplemental Trust Agreement; and

(v) Such further documents and moneys as are required by Sections 205, 206, 207 or Article IX or by the Applicable Supplemental Trust Agreement.

SECTION 205. Authorization and Conditions Precedent to Delivery of the Initial Bonds.

(a) Bonds of a Series (the “Initial Bonds”) are hereby authorized and for such purposes, consistent with this Trust Agreement, as are specified in the Applicable Supplemental Trust Agreement. The Initial Bonds shall be in all respects as described in said Supplemental Trust Agreement.

(b) The Initial Bonds shall be executed by the State Treasurer and the Governor and delivered to the Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of an Authorized Officer, but only upon notification by the Trustee that it has received:

(i) The documents, moneys and opinions required by Section 204(c); and

(ii) The documents and moneys, if any, required by the Applicable Supplemental Trust Agreement.

SECTION 206. Conditions Precedent to the Delivery of Additional Bonds.

(a) One or more Series of Additional Bonds may be issued in accordance with this Section for the purpose of (i) paying costs of a Project, including without limitation, additional costs of the I-93 Project, (ii) the making of deposits in the Debt Service Fund, (iii) the payment of the Costs of Issuance of such Bonds, or (iv) any combination of the foregoing.

(b) A Series of Additional Bonds shall be executed by the State Treasurer and the Governor and delivered to the Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of an Authorized Officer, but only upon notification by the Trustee that it has received:

(i) The documents, moneys and opinions required by Section 204(c);

(ii) The documents and moneys, if any, required by the Applicable Supplemental Trust Agreement;

(iii) A certificate of an Authorized Officer stating that, as of the delivery of such Additional Bonds and application of their proceeds, no Event of Default, as described in Section 701, will have happened and will then be continuing;

(iv) A certificate of an Authorized Officer that demonstrates that the eligible Obligation Authority during the most recently completed Federal Fiscal Year was equal to at least three times (300%) of the Maximum Annual Debt Service on all Outstanding Bonds and on the Additional Bonds proposed to be issued excluding, in the case of Refunding Bonds, the debt service on the Bonds to be refunded thereby;

(v) If any such Additional Bonds are to be issued as Tender Bonds, a fully executed copy of the Liquidity Facility for such Bonds;

(vi) If applicable, the certificate of an Authorized Officer required by Section 210(c); and

(vii) A certificate of an Authorized Officer stating that a Federal Aid Agreement has been entered into or supplemented to provide for FHWA reimbursement to cover the debt service on the Additional Bonds.

SECTION 207. Special Conditions Precedent to the Delivery of Refunding Bonds.

(a) One or more Series of Refunding Bonds may be issued in accordance with this Section for the purpose of refunding all or any part of the Bonds of one or more Series Outstanding.

(b) A Series of Refunding Bonds shall be executed by the State Treasurer and Governor and delivered to the Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of an Authorized Officer, but only upon receipt by the Trustee:

(i) The documents, moneys and opinions required by Section 204(c);

(ii) The documents and moneys, if any, required by the Supplemental Trust Agreement authorizing such Refunding Bonds;

(iii) A certificate of an Authorized Officer stating that, as of the delivery of such Refunding Bonds and application of their proceeds, no Event of Default as described in Section 701 will have happened and will then be continuing;

(iv) A certificate of an Authorized Officer to the effect that all Federal Aid Agreements with respect to Bonds that will be outstanding after the issuance of such Refunding Bonds have been amended to reflect the new debt service on such Refunding Bonds;

(v) A certificate of an Authorized Officer specifying the Bonds to be refunded;

(vi) If any Bonds are to be redeemed prior to maturity, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of the Bonds to be redeemed on a redemption date specified in the instructions;

(vii) If the Bonds to be refunded are not by their terms due to mature or subject to redemption within the next succeeding sixty (60) days, irrevocable instructions to the Trustee, satisfactory to it, to give due notice as provided in Section 1101 to the registered owners of the Bonds to be refunded;

(viii) An amount of money or Defeasance Obligations sufficient pursuant to Section 1101 to effect payment at maturity or redemption, pursuant to Article IV, of the Bonds to be refunded;

(ix) If applicable, the certificate of an Authorized Officer required by Section 210(c); and

(x) So long as any Bonds related to the I-93 Project remain Outstanding, a certificate of an Authorized Officer stating that no event of default exists under the 2010 Memorandum of Agreement.

Notwithstanding any of the foregoing provisions, the State reserves the right to issue Refunding Bonds in order to refund any Bonds then Outstanding under this Trust Agreement, so long as the Maximum Annual Debt Service is not increased more than 10% as a result of issuing such Refunding Bonds.

SECTION 208. Creation of Liens; Other Indebtedness.

(a) Except as otherwise expressly provided herein, the State shall not issue any bonds, Bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of or other lien on the Pledged Funds or any other moneys, securities and funds held or set aside by the State or by the Fiduciaries under this Trust Agreement, and shall not otherwise create or cause to be created any lien or charge on such Pledged Funds, moneys, securities and funds.

(b) Subject to a Rating Confirmation, the State may issue bonds, Bonds or other evidences of indebtedness (other than Additional Bonds or Refunding Bonds), which are payable out of, or secured by a pledge of, the Pledged Funds so long as such bonds, Bonds or evidences of indebtedness are expressly subordinate to the obligations created hereunder and the security granted hereby.

(c) Nothing in this Section or this Trust Agreement shall prevent the State from issuing bonds, Bonds or other evidences of indebtedness which are payable out of, or secured by a pledge of, Pledged Funds to be derived on and after such date as the pledge of the Pledged Funds created by this Trust Agreement has been discharged as provided in Section 1101.

SECTION 209. Credit Enhancement/Liquidity Facilities.

(a) In connection with any Series of Bonds issued or to be issued hereunder, the State may obtain or cause to be obtained Credit Enhancement or a Liquidity Facility providing for payment of all or a portion of the principal, premium, or interest due or to become due on such Bonds or providing for the purchase of such Bonds or a portion thereof by the issuer of any such Credit Enhancement or Liquidity Facility. In connection therewith the State may enter into such agreements with the issuer of such Credit Enhancement or Liquidity Facility providing for, inter alia:

(i) the payment of fees and expenses to such issuer for the issuance of such Credit Enhancement or Liquidity Facility; and

(ii) the terms and conditions of such Credit Enhancement or Liquidity Facility and the Series of Bonds affected thereby.

The State may secure such Credit Enhancement or Liquidity Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified in a Supplemental Trust Agreement. The State may also agree with the issuer of such Credit Enhancement or Liquidity Facility to reimburse such issuer directly for amounts paid under the terms of such Credit Enhancement or Liquidity Facility, together with interest thereon (“Reimbursement Obligation”). Such Reimbursement Obligation may be subject to a lien on Pledged Funds on a parity with the lien created hereby. Upon the payment of amounts under the Credit Enhancement which results in the Reimbursement Obligations becoming due and payable, such Reimbursement Obligation shall be deemed a Bond Outstanding hereunder.

(b) Any such Credit Enhancement or Liquidity Facility shall be for the benefit of and secure such Series of Bonds (or portion thereof) as specified in a Supplemental Trust Agreement.

#### SECTION 210. Qualified Hedge Agreements.

(a) The State may from time to time enter into Qualified Hedge Agreements with a Hedge Provider with respect to all or a portion of the Bonds of any Series Outstanding hereunder. The obligations of the State thereunder may be secured by a pledge of the Pledged Funds; provided, however, that such security shall be expressly subordinate to the security for the Bonds Outstanding granted hereunder. The State Treasurer shall provide the Trustee and each Rating Agency then maintaining a rating on any Bonds Outstanding with at least thirty (30) days prior written notice of its intention to enter into a Qualified Hedge Agreement. Prior to the effective date of any Qualified Hedge Agreement, the State shall deliver to the Trustee the following:

(i) A fully executed copy of the Qualified Hedge Agreement, together with a certificate of an Authorized Officer stating that the Qualified Agreement and the Hedge Provider meet the requirements of a Qualified Hedge Agreement and Hedge Provider hereunder; and

(ii) A certificate of an Authorized Officer designating the Series of Bonds or portions thereof subject to the Qualified Hedge Agreement.

(b) Any amounts paid to the State pursuant to a Qualified Hedge Agreement shall be deposited by the State Treasurer in the Debt Service Fund. Any amounts payable by the State to a Hedge Provider under a Qualified Hedge Agreement may be payable from any amounts lawfully available to the State Treasurer for such purpose.

(c) Upon the issuance of any Additional Bonds or Refunding Bonds, an Authorized Officer shall deliver to the Trustee a certificate setting forth the interest rate (the “Assumed Hedge Rate”) which such Authorized Officer reasonably determines will be the average interest rate which will be payable for the next succeeding twelve consecutive months on the notional amount under any Qualified Hedge Agreement relating to any Fixed Rate Bonds which will remain Outstanding under which the State is required to pay a variable interest rate on such notional amount.



## **ARTICLE III.**

### **General Terms and Provisions of Bonds**

**SECTION 301.**        Place and Medium of Payment; Form and Date.

(a)        The Bonds of each Series shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts at the office of such Paying Agent as is specified in the Applicable Supplemental Trust Agreement. The interest on any Bonds may be paid by check, draft or wire transfer as specified in the Applicable Supplemental Trust Agreement. The State may make provisions in the Applicable Supplemental Trust Agreement with respect to record dates for purposes of determining registered owners for purposes of paying interest on any Bond.

(b)        The Bonds of each Series shall be issued in the form of fully registered Bonds without coupons payable to a named person or registered assigns; all registered Bonds shall each be in the denomination of \$5,000 or any whole multiple thereof and shall be in substantially the form set forth in Article XII. If at any time Tax Exempt Bonds in bearer form with coupons may be issued under the provisions of the Code, the State may by Supplemental Trust Agreement amend this Trust Agreement to permit the issuance of such form of Bonds and to provide for such additional notice and other provisions necessary therefor. Such Supplemental Trust Agreement shall not be effective unless delivered to the Trustee together with a Bond Counsel's opinion to the effect that such Supplemental Trust Agreement shall not result in the inclusion of interest on any Tax Exempt Bonds then Outstanding in gross income of the owners thereof for federal income tax purposes. The State may provide in an Applicable Supplemental Trust Agreement for the issuance of the Bonds so authorized in book-entry form or in denominations less than \$5,000 upon the terms and conditions as set forth therein together with such modifications to this Trust Agreement as are necessary and appropriate for such Series of Bonds.

(c)        Bonds of each Series shall be dated as of the interest payment date for the Bonds of such Series next preceding the date of authentication thereof by the Paying Agent, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first interest payment date for the Bonds of such Series, Bonds shall be dated as provided in the Applicable Supplemental Trust Agreement. Bonds of each Series shall bear interest from the date specified in the Applicable Supplemental Trust Agreement.

**SECTION 302.**        Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable to comply with custom, the rules of any securities exchange, commission or board or brokerage board, or otherwise, as may be determined by the State prior to the authentication and delivery thereof.

SECTION 303.           Execution and Authentication.

(a)       The Bonds shall be executed in the name of the State by the manual or facsimile signatures of the State Treasurer and the Governor and its official seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Paying Agent, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the State by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in the State, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office.

(b)       The Bonds of each Series shall bear thereon a certificate of authentication, in substantially the form set forth in Section 1201, executed manually by the Paying Agent for such Series. Only such Bonds as bear such certificate of authentication shall be entitled to any right or benefit under this Trust Agreement and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Trust Agreement and the registered owner thereof is entitled to the benefits of this Trust Agreement.

SECTION 304.           Interchangeability of Bonds. Bonds, upon surrender thereof at the office of the Paying Agent with a written instrument of transfer satisfactory to the Paying Agent, duly executed by the registered owner or its duly authorized attorney may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and tenor of any other authorized denomination.

SECTION 305.           Negotiability, Transfer and Registry. All the Bonds issued under this Trust Agreement shall be negotiable, subject to the provisions for registration and transfer contained in this Trust Agreement and in the Bonds. So long as any of the Bonds shall remain Outstanding, the State shall maintain and keep, at the office of the Paying Agent for each Series of Bonds, who shall be registrar for the related Series of Bonds, books for the registration and transfer of each Series of Bonds; and upon presentation thereof for such purpose at said office, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Paying Agent may prescribe, any Bond entitled to registration or transfer.

SECTION 306.           Transfer of Bonds.

(a)       Each Bond shall be transferable only upon the register for the Series of which such Bond is a part, by the registered owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or its duly authorized attorney. Upon the transfer of any such Bond the State shall issue in the name of the transferee a

new Bond or Bonds of the same aggregate principal amount and Series and maturity and tenor as the surrendered Bond.

(b) The State and each Fiduciary may deem and treat the person in whose name any Outstanding Bond shall be registered upon the register for Bonds of such Series as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and neither the State nor any Fiduciary shall be affected by any notice to the contrary. To the extent permitted by law, the State agrees to indemnify and save each Fiduciary harmless from and against any and all loss, expense, judgment or liability incurred by it, provided such Fiduciary acts in good faith and without negligence hereunder in treating such registered owner.

SECTION 307. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the State shall execute and the Paying Agent for such Series of Bonds shall authenticate and deliver Bonds in accordance with the provisions of this Trust Agreement. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Paying Agent. For every such exchange or transfer of Bonds, whether temporary or definitive, the State or the Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Neither the State nor the Paying Agent shall be obligated to make any such exchange or transfer (a) of Bonds of any Series during the twenty (20) days next preceding an interest or principal payment date of the Bonds of such Series or (b) in the case of any proposed redemption of Bonds under this Trust Agreement, of Bonds of any Series selected, called or being called for redemption under this Trust Agreement in whole or in part.

SECTION 308. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the State shall execute, and thereupon the Paying Agent shall authenticate and deliver, a new Bond of like Series, maturity, principal amount and tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of a substitution for the Bond destroyed, stolen or lost, upon filing with the Paying Agent evidence satisfactory to the State and the Paying Agent that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the State and the Paying Agent with indemnity satisfactory to them and complying with such other reasonable regulations as the State and the Paying Agent may prescribe and paying such expenses as the State and Paying Agent may incur including the expenses, if any, of printing and delivering such new Bond. All Bonds so surrendered to the Paying Agent shall be cancelled by it.

SECTION 309. Preparation of Definitive Bonds; Interim Receipts and Temporary Bonds. Until the definitive Bonds of any Series are prepared, the State may execute and, upon the request of the State, the Paying Agent shall authenticate and deliver, in lieu of definitive Bonds, one or more interim receipts, or one or more temporary Bonds, substantially of the tenor of such definitive Bonds (but with such registration provisions as the State may provide) and with such omissions, insertions and variations as may be appropriate for temporary Bonds. The State at its own expense shall prepare and execute and, upon the surrender at the office of the

Paying Agent of such interim receipts and of such temporary Bonds, for exchange and cancellation, the Paying Agent shall authenticate and, without charge to the registered owner thereof, deliver in exchange therefor, definitive Bonds, of the same aggregate principal amount and Series, maturity and tenor as the interim receipts or temporary Bonds surrendered. Until so exchanged, the interim receipts and temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Trust Agreement. All interim receipts and all temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Paying Agent.

SECTION 310. Cancellation of Bonds. All Bonds redeemed or paid by the State or any Fiduciary shall be cancelled by it and delivered to the Paying Agent for such Series of Bonds. All Bonds purchased, redeemed or paid by the Paying Agent shall be cancelled by it. No such Bonds shall be deemed Outstanding under this Trust Agreement and no Bonds shall be issued in lieu thereof. All such Bonds and all other Bonds cancelled by the Paying Agent pursuant to this Trust Agreement shall upon order of the State be destroyed by the Paying Agent and a certificate thereof delivered to the State.

## ARTICLE IV.

### Redemption of Bonds

SECTION 401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to a Supplemental Trust Agreement shall be redeemable, upon notice as provided in this Article IV, at such time, at such Redemption Prices and upon such terms (in addition to and consistent with the terms contained in this Article IV) as may be specified in the Applicable Supplemental Trust Agreement.

SECTION 402. Redemption at the Election of the State. In the case of any redemption of Bonds otherwise than as provided in Section 403, an Authorized Officer shall give written notice, not less than forty-five (45) days before the redemption date, to the Trustee and the Paying Agent for the Series of Bonds to be redeemed of the State's election so to redeem of the redemption date, of the Series and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts shall be determined by the State Treasurer in the State Treasurer's sole discretion, subject to any limitations with respect thereto contained in any Supplemental Trust Agreement). Such notice shall be given as provided in this Article IV or as provided in any Applicable Supplemental Trust Agreement. In the event notice of redemption shall have been given as in Section 405 provided, the Trustee shall, on or before the redemption date pay out of the moneys available therefor to the appropriate Paying Agent or Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agent or Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, all of the Bonds to be redeemed.

SECTION 403. Redemption Otherwise Than at State's Election. Whenever by the terms of this Trust Agreement and the Applicable Supplemental Trust Agreement Bonds of a Series are required to be redeemed otherwise than at the election of the State, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay out of the moneys

available therefor the Redemption Price to the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, subsection (b) of Section 505.

SECTION 404.       Selection of Bonds to be Redeemed by Lot. In the event of redemption of less than all the Outstanding Bonds of like Series and maturity, the Trustee shall, unless otherwise provided in an Applicable Supplemental Trust Agreement, select by lot, in such manner as in its discretion it shall deem appropriate and fair, the numbers of the Bonds to be redeemed and the portions of any thereof to be redeemed in part. Bonds of denominations or more than \$5,000 may be redeemed either as a whole or in part (which part must be \$5,000 or an integral multiple thereof). For the purposes of this Section 404, Bonds, or portions thereof, which have theretofore been selected for redemption shall not be deemed Outstanding.

SECTION 405.       Notice of Redemption.

(a)       When the Trustee shall receive written notice from the State of its election to redeem Bonds pursuant to Section 402, and when redemption of Bonds is required by this Trust Agreement and the Applicable Supplemental Trust Agreement pursuant to Section 403, the Trustee shall give notice, in the name of the State, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed, and, in the case of registered Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. In the case of an optional redemption under Section 402, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the date that is five (5) Business Days prior to the redemption date or (ii) that the State retains the right to rescind such notice on or prior to the redemption date (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in the next paragraph. The Trustee shall mail a copy of such notice, postage prepaid not less than thirty (30) days before the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed at their last address, if any, appearing upon the register for such Series of Bonds as of the record date for such Series as provided in the Applicable Supplemental Trust Agreement but failure so to mail any such notice to any one Bondholder shall not affect the validity of the proceedings for the redemption of Bonds owned by any other Bondholder to whom such notice has been mailed.

(b)       Any Conditional Redemption may be rescinded in whole or in part at any time prior to the fifth business day prior to the redemption date if the State delivers a certificate of an Authorized Officer to the Trustee instructing the Trustee to rescind the redemption notice. In such case, the Trustee shall give prompt notice of such rescission to the affected Bondholders. 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 the State to make funds available in part or in whole on or before the date that is five (5) Business Days prior to the redemption date shall not constitute an Event of Default, and the Trustee shall give Immediate Notice to the Securities

Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption remain Outstanding.

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

## ARTICLE V.

### **Establishment of Funds and Application Thereof**

SECTION 501. The Pledge Effected by this Trust Agreement.

(a) There are hereby pledged for the payment of principal and Redemption Price of and interest on the Bonds, subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in this Trust Agreement, (i) the Pledged Revenues, (ii) all moneys and securities, and any investment earnings with respect thereto, in all Funds and Accounts established by or pursuant to this Trust Agreement, other than the Project Fund and the Rebate Fund and (iii) any amounts payable to the State by a Hedge Provider pursuant to a Qualified Hedge Agreement (collectively, the "Pledged Funds"). The Bonds shall be special obligations of the State payable solely from the sources described above and the full faith and credit of the State has not been pledged hereunder.

(b) The State may in any Supplemental Trust Agreement pledge any Additional Pledged Funds or portions thereof which the State may lawfully pledge to the payment of amounts due hereunder. From and after the date of such Supplemental Trust Agreement such amounts shall be deemed part of the Pledged Funds hereunder.

SECTION 502. Establishment of Funds and Accounts.

(a) On or prior to the date of delivery of the Initial Bonds, the following funds and accounts shall be established and shall be held by the Trustee:

- (i) Redemption Fund;
- (ii) Debt Service Fund;
  - (A) Series Accounts; and
  - (B) Defeasance Account
- (iii) Bond Related Costs Fund; and
- (iv) Rebate Fund.

Such Funds, except the Rebate Fund, are subject to the pledge created hereby.

(b) On or prior to the date of delivery of the Initial Bonds, the State Treasurer shall establish the Project Fund to be maintained as part of the Federal Highway Grant Anticipation Bond Trust Fund and to be held by the State Treasurer so long as Bonds shall remain Outstanding hereunder which Fund shall not be subject to the pledge created hereby.

SECTION 503. Project Fund.

(a) Except as otherwise provided in the Applicable Supplemental Trust Agreement, the State Treasurer shall deposit in the Project Fund the amounts, if any, provided in such Applicable Supplemental Trust Agreement as necessary to pay the Costs of Issuance of such Series and to pay costs of the Project financed by such Series.

(b) Such amounts shall be applied by the State Treasurer to the payment of the Costs of Issuance of the related Series of Bonds, to the extent authorized by an Applicable Supplemental Trust Agreement and otherwise authorized by law and to pay the costs of the Project for which such Bonds have been issued. The State Treasurer may allocate such amounts held to pay the costs of such Project in accordance with the provisions thereof and the provisions of applicable law. Investment earnings received by the State Treasurer on any proceeds of Bonds shall remain in the Project Fund and shall be applied to pay such costs of the Project. Any balance remaining after payment of such amounts shall be paid by the State Treasurer to the Trustee and deposited in the Redemption Fund and applied to the redemption of Bonds of the related Series.

SECTION 504. Application of Federal Highway Funds.

(a) The assignment and pledge of Federal Highway Funds to the Trustee for the benefit of the Holders of the Bonds under Section 501 of this Trust Agreement is intended to and shall constitute a first lien on such Federal Highway Funds as provided in the Act. All Federal Highway Funds received by the State or the Trustee for the benefit of the

State shall constitute Pledged Revenues, which shall be subject to the assignment and lien hereof upon receipt thereof by the State or the Trustee for the benefit of the State, as applicable.

(b) Amounts received by the Trustee pursuant to Section 505 shall be deposited and used solely in the manner set forth in Section 505. Except as required for amounts held for the payment of Bonds not then deemed Outstanding, Federal Highway Funds need not be retained for any use or in any account under this Trust Agreement in excess of the amounts then required for the payment of Bond Payments, or Bond Related Costs due and payable in the current Federal Fiscal Year.

(c) At any time the State Treasurer may transfer to the Trustee an amount of Federal Highway Funds and any other available funds then on deposit in the Federal Highway Grant Anticipation Bond Trust Fund and otherwise available to be transferred to the State Treasurer free and clear of the lien of this Trust Agreement, to the Redemption Fund or the Defeasance Account for the purpose of redeeming or defeasing the principal amount of Bonds Outstanding as set forth in said certificate. Any transfer of Federal Highway Funds to either the Redemption Fund or Defeasance Account shall be revocable by the State Treasurer until the date on which the State Treasurer shall deliver to the Trustee a notice of redemption or defeasance specifying the principal amount of Bonds to be redeemed or defeased and, if applicable, the redemption date of such Bonds (the "Notice of Redemption or Defeasance"), at which time such transfer shall be irrevocable.

(d) The Trustee is hereby authorized to accept at any time from the State Treasurer, in addition to Pledged Funds, any other moneys certified by the State Treasurer to be lawfully available for carrying out or satisfying any purpose under this Trust Agreement. The Trustee shall deposit such moneys in such Fund or Account, as the State Treasurer may direct, and, provided no Event of Default shall then be occurring under this Trust Agreement and the amounts then held in the Debt Service Fund, the Rebate Fund and the Bond Related Costs Fund are at least equal to the applicable amounts then specified in this Trust Agreement, the Trustee shall transfer such amount as the State Treasurer may direct, but not in excess of the amount received from the State Treasurer, to the State Treasurer, for application as permitted by law, free and clear of the lien of this Trust Agreement.

SECTION 505. Debt Service Fund.

(a) The Trustee shall create and maintain separate accounts identified by the appropriate Series designation within the Debt Service Fund to account for the receipt of moneys to pay, and the payment of, the Bond Payments on and Redemption Price of each Series of Bonds, but such separate accounts shall not affect the rights of the Holders of the Bonds with respect to moneys in the Debt Service Fund.

(b) There shall be deposited into the Debt Service Fund (i) accrued interest, if any, received at the time of the issuance of any Bonds; (ii) any capitalized interest from the proceeds of a Series of Bonds; (iii) amounts paid to the Trustee pursuant to Section 604 hereof constituting Federal Highway Funds and any other moneys received by the



Trustee accompanied by directions that such moneys are to be deposited into the Debt Service Fund.

(c) Subject to Section 702 hereof, the Trustee shall use amounts received and deposited into the Debt Service Fund pursuant to this Section only in the manner and order of priority specified below.

(i) to pay an amount equal to the next interest payment becoming due on Bonds and any scheduled payment due under a Qualified Hedge Agreement on such Interest Payment Date or redemption date; and

(ii) to pay an amount equal to the next maturing principal payment of Bonds, if any, becoming due on such Interest Payment Date or redemption date;

Amounts remaining after the transfers described above shall be transferred as directed in writing by the State or as set forth in a Applicable Supplemental Trust Agreement.

(d) There shall be established within the Debt Service Fund in accordance with the Applicable Supplemental Trust Agreement authorizing the issuance of Variable Rate Bonds:

(i) if such Bonds are subject to purchase prior to maturity, a Purchase Account, consisting of (i) a Remarketing Proceeds Subaccount, into which shall be deposited proceeds of the remarketing of such Bonds received from the Related Remarketing Agent and (ii) a Draw Subaccount, into which shall be deposited amounts received under a draw on any related Liquidity Facility or Credit Enhancement for the payment of the purchase price any such Variable Rate Bonds that are tendered and not remarketed by the Remarketing Agent; and

(ii) if such Bonds are secured by Credit Enhancement, a Credit Enhancement Account, into which shall be deposited all amounts received from draws under the related Credit Enhancement to pay the principal of and interest (and any payments due under any related Qualified Hedge Agreement) and premium, if any, on such Bonds.

(e) Moneys in the Debt Service Fund or any specified Accounts shall be used as follows:

(i) Amounts in the Debt Service Fund shall be used to pay (i) interest on the Bonds, unless draws have been made on any Credit Enhancement for such purpose, in which case, amounts equal to such draws shall be paid to the Credit Enhancement provider and (ii) any scheduled payment due under any related Qualified Hedge Agreement.

(ii) Amounts in the Debt Service Fund shall be used to pay principal on the Bonds, unless draws have been made on any Credit Enhancement for such purpose, in which case amounts equal to such draws shall be paid to the provider of the Credit Enhancement;

(iii) Amounts in any Purchase Account shall be used to purchase Bonds for which the Purchase Account was created which are tendered for purchase, subject to the provisions of the Applicable Supplemental Trust Agreement; and

(iv) Amounts in any Credit Enhancement Account shall be used to pay the principal of and interest (and any payments under any related Qualified Hedge Agreement) and premium, if any, on Bonds for which such Credit Enhancement Account was created.

(f) The Trustee shall transmit to the Paying Agent moneys on deposit in the Debt Service Fund for the payment of the principal and purchase price of and interest on and premium, if any, on the Bonds to be applied to the payment thereof as such amounts become due and payable. Payments due under any Qualified Hedge Agreement and reimbursement payments due under any Credit Enhancements and Liquidity Facilities shall be paid by wire transfer of immediately available funds to the extent the Trustee holds immediately available funds.

(g) Provisions regarding draws on any Credit Enhancement or Liquidity Facility pursuant to their terms, in the amounts and at the times necessary to pay the principal or Purchase Price of and interest (and any payment under Qualified Hedge Agreements) and premium, if any, on any Bond shall be set forth in the Applicable Supplemental Trust Agreement to such Bond.

#### SECTION 506. Redemption Fund.

(a) The State may deposit in the Redemption Fund any moneys, including Pledged Funds, not otherwise required by this Trust Agreement to be otherwise deposited or applied.

(b) If at any time the amount on deposit and available therefor in the Debt Service Fund is insufficient to pay the principal or Redemption Price of and interest on the Bonds then due, the Trustee shall withdraw from the Redemption Fund and deposit in the Debt Service Fund the amount necessary to meet the deficiency (other than amounts held therein for the redemption of Bonds for which a notice of redemption shall have been given). Subject to the foregoing, amounts in the Redemption Fund may be applied by the State to the redemption of Bonds in accordance with Section 402 and the Applicable Supplemental Trust Agreement at prices not exceeding the applicable Redemption Prices (plus accrued interest) had such Bonds been redeemed (or, if not then subject to redemption, at the applicable Redemption Prices when next subject to redemption), such purchases to be paid for by the Trustee at such times and in such manner as arranged and directed in writing by an Authorized Officer.

#### SECTION 507. Bond Related Costs Fund.

(a) The amount on deposit and available in the Bond Related Costs Fund shall be applied by the Trustee to the payment of Bond Related Costs at the times and in the amounts as directed in writing from time to time by an Authorized Officer.

(b) If at any time the amount on deposit and available therefor in the Debt Service Fund is insufficient to pay the principal or Redemption Price of and interest on the

Bonds then due, the Trustee shall withdraw from the Bond Related Costs Fund, after withdrawal of amounts pursuant to Section 506(b) above, and deposit in the Debt Service Fund the amount necessary to meet such deficiency.

(c) Upon the certification of an Authorized Officer and all Fiduciaries that all Bond Related Costs have been paid, any balance in the Bond Related Costs Fund shall be paid by the Trustee to the State Treasurer free and clear of the lien hereof and such amounts shall be applied to any purposes permitted by law.

SECTION 508. Investments. Except as otherwise provided in Section 1101, money held for the credit of any Fund or Account under this Trust Agreement shall, to the fullest extent practicable, be invested, either alone or jointly with moneys in any other Fund or Account, by or at the written direction of an Authorized Officer in Permitted Investments which shall mature or be redeemable at the option of the holder thereof, on such dates and in such amounts as may be necessary to provide moneys to meet the payments required to be made from such Funds and Accounts; provided that if moneys in two or more funds or accounts are commingled for purposes of investments, the Trustee shall maintain appropriate records of the Permitted Investments or portions thereof which it makes and which are held for the credit of such Fund or Account. Amounts on deposit in the Debt Service Fund may be invested only in Permitted Investments of the type described in subparagraphs (i), (ii), (iii), (iv), (vi), (vii), (ix) or (xi) of the definition of Permitted Investments. Permitted Investments purchased as an investment of moneys in any Fund or Account shall be deemed at all times to be a part of such Fund or Account and all income thereon shall accrue to and be deposited in such Fund or Account and all losses from investment shall be charged against such Fund or Account. Any income from Permitted Investments may be transferred to the Rebate Fund to the extent required by an Applicable Supplemental Trust Agreement.

In computing the amount in any Fund or Account hereunder for any purpose, Permitted Investments shall be valued at amortized cost. As used herein the term “amortized cost,” when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days between the date of purchase and the maturity date; and (i) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (ii) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price. Unless otherwise provided in this Trust Agreement, Permitted Investments in any Fund or account hereunder shall be valued at least once in each State Fiscal Year on the last day thereof.

## ARTICLE VI.

### Particular Covenants of The State

The State covenants and agrees as follows:

SECTION 601. Powers as to Bonds and Pledge. The State is duly authorized under the Act and all applicable laws to create and issue Bonds hereunder and to adopt this Trust

Agreement and to pledge the Pledged Funds in the manner and to the extent provided in this Trust Agreement. The Pledged Funds are and will be free and clear of any pledge, lien, charge or encumbrance thereon with respect thereto prior to, or of equal rank with, the pledge created by this Trust Agreement. The State shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Funds under this Trust Agreement and all the rights of the Bondholders under this Trust Agreement against all claims and demands of all persons, whomsoever.

SECTION 602.       Extension of Payment of Bonds. The State shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Trust Agreement, to the benefit of this Trust Agreement or to any payment out of any assets of the State or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to this Trust Agreement) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing in this section shall be deemed to limit the right of the State to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

SECTION 603.       Covenants as to Pledged Funds and Federal Highway Grant Anticipation Bond Trust Fund.

(a)       In accordance with Section 12 of the Act, so long as any Bonds shall remain Outstanding, and so long as any Trust Agreement Obligations shall remain unpaid, the State covenants that the State shall:

(i)       Carry out and perform, or cause to be carried out and performed, each and every promise, covenant, agreement, or contract made or entered into by the State or on its behalf by or under the Act and on its behalf to be performed;

(ii)       Not issue any bonds, notes, or other evidences of indebtedness, other than Bonds, having any rights secured by any pledge of or other lien or charge on the Pledged Revenues, and shall not create or cause to be created any lien or charge on the Pledged Revenues, other than a lien and pledge thereon created by or pursuant to the provisions of the Act; provided that nothing in Section 12 of the Act shall prevent the State from issuing evidences of indebtedness that:

(a)       are secured by a pledge or lien which is and shall on the face of said evidences of indebtedness be expressed to be subordinate and junior in all respects to every lien and pledge created by or pursuant to the provisions of this Trust Agreement;

(b) pledge the full faith and credit of the State and which are not expressly secured by any specific lien or charge on revenues or any such moneys or securities; or

(c) are secured by a pledge of or lien on moneys or funds to be derived on and after such date as every pledge or lien thereon created by or pursuant to the provisions of this Trust Agreement shall be discharged and satisfied; and

(iii) Not divert Federal Highway Funds from the purposes in the Act and in this Trust Agreement except as provided in this Trust Agreement nor shall the trusts with which they are hereby impressed be broken, and the pledge and dedication in trust of such funds shall continue unimpaired or unabrogated.

(b) For each of the Federal Fiscal Years during which Bonds are Outstanding, (i) as soon as practicable prior to such Federal Fiscal Year, the State will cause the Department to request Obligation Authority sufficient to pay debt service on the Bonds and other Bond Related Costs coming due during such Federal Fiscal Year and (ii) the State will obligate (to the extent not previously obligated) Obligation Authority to make debt service payments on the Bonds and other Bond Related Costs coming due in that Federal Fiscal Year prior to obligating Obligation Authority for any other purpose coming due in that Federal Fiscal Year or subsequent Federal Fiscal Years. In any event, the State shall set aside Obligation Authority sufficient for scheduled payments of debt service and other Bond Related Costs.

SECTION 604. Payment of Federal Highway Funds to Trustee.

(a) If Federal Highway Funds payable to the State are paid first to the State, the State will pay the amount of Federal Highway Funds required hereunder to the Trustee by the dates set forth in this paragraph. Not later than seven (7) days prior to each Bond Payment Date, the State will transfer to the Trustee, or shall request FHWA to pay to the Trustee, Federal Highway Funds equal to the amount of the Bond Payment becoming due to the Trustee for receipt by the Trustee four Business Days (or such other date prior to the Bond Payment Date if limited by FHWA) prior to the respective Bond Payment Date. The Trustee shall deposit the Bond Payments received by the Trustee as set forth in Section 505 hereof. The amounts on deposit in each account of the Debt Service Fund shall be used only for the payment of the Series of Bonds for which the deposit was made. Notwithstanding anything to the contrary set forth herein, if there are not sufficient amounts on deposit in the Debt Service Fund three Business Days prior to the Bond Payment Date, the State shall immediately pay from the Federal Highway Grant Anticipation Bond Trust Fund, or request FHWA to pay, Federal Highway Funds to the Trustee in an amount equal to such deficiency for receipt by the Trustee or other paying agent on the next succeeding Business Day.

SECTION 605. Covenant to Enforce the Federal Aid Agreements and 2010 Memorandum of Agreement. The State covenants that so long as any of the Bonds are Outstanding or any obligation of the State under any Credit Enhancement, Liquidity Facility or Qualified Hedge Agreement or otherwise under this Trust Agreement remains unpaid, it will take all reasonable action to enforce the Federal Aid Agreements, including without limitation, the 2010 Memorandum of Agreement to the extent permitted by law, and will not consent to any

modification of the Federal Aid Agreements or the 2010 Memorandum of Agreement that would materially impair the security created for the holders of the Bonds and Credit Enhancement providers, Liquidity Facility and any Hedge Provider.

**SECTION 606. Tax Covenants; Rebate Fund.**

(a) The State shall take, or require to be taken, such action as may from time to time be required to assure the continued exclusion of interest on any Series of Tax Exempt Bonds from the federal gross income of Holders of any such Series of Tax Exempt Bonds.

(b) The State shall not permit the investment or application of the proceeds of any Series of Tax Exempt Bonds, including any funds considered proceeds within the meaning of Section 148 of the Code, to be used to acquire any investment property the acquisition of which, would cause such indebtedness to be “arbitrage bonds” within the meaning of said Section 148.

(c) Upon the initial issuance, sale and delivery of any Series of Tax Exempt Bonds, the State shall establish within the Rebate Fund a separate account within the Rebate Fund for such Series and may provide in the Applicable Supplemental Trust Agreement for the deposits of amounts therein to pay “rebate” on the investment of amounts hereunder in accordance with Section 148(f) of the Code. Funds on deposit in the Rebate Fund shall be applied as set forth in the Applicable Supplemental Trust Agreement. Unless otherwise specified in the Applicable Supplemental Trust Agreement, interest or other income derived from the investment or deposit of moneys in the Rebate Fund shall be held therein. The Rebate Fund and the amounts on deposit therein shall not be deemed Pledged Funds hereunder.

**SECTION 607. Further Assurances.** At any and all times the State shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further Supplemental Trust Agreement, acts, deeds, conveyances, assignments, transfers and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Pledged Funds and any other moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the State may hereafter become bound to pledge or assign.

**SECTION 608. Limitation on Covenants.** Notwithstanding any provision of this Trust Agreement to the contrary, any provisions of the Act creating covenants with Bondholders shall be deemed a covenant with the Bondholders hereunder only to the extent expressly provided herein and as limited hereby.

**ARTICLE VII.**

**Defaults and Remedies**

**SECTION 701. Events of Default.** One or more of the following events shall constitute an Event of Default hereunder:

(a) If default shall be made in the payment of the principal or Redemption Price of any Bond when due, whether at maturity or by call for mandatory redemption or

redemption or purchase at the option of the State or any registered owner, or otherwise, or in the payment of any Sinking Fund Payment when due; or

(b) If default shall be made in the payment of any installment of interest on any Bond when due; or

(c) If default shall be made by the State in the performance or observance of the covenants, agreements and conditions on its part provided in Section 603; or

(d) If default shall be made by the State in the performance or observance of any other of the covenants, agreements or conditions on its part provided in this Trust Agreement or in the Bonds and such default shall continue for a period of thirty (30) days after written notice thereof shall be given to the State by the Trustee or to the State and the Trustee by the registered owners of a majority in principal amount of the Bonds Outstanding; provided that if such default cannot be remedied within such thirty-day period, it shall not constitute an Event of Default hereunder if corrective action is instituted by the State within such period and diligently pursued until the default is remedied.

SECTION 702. Application of Revenues and Other Moneys after Default.

(a) The State covenants that if an Event of Default shall happen and shall not have been remedied, the State, upon demand of the Trustee, shall pay over to the Trustee to the extent permitted by law forthwith, all Pledged Funds upon receipt and not otherwise held by the Trustee hereunder.

(b) During the continuance of an Event of Default, the Trustee shall apply the moneys, securities and funds held by the Trustee and such Pledged Funds and the income therefrom, to the fullest extent permitted by law, as follows and in the following order:

(i) to the payment of the reasonable and proper charges and expenses of the Fiduciaries and of any counsel selected by a Fiduciary pursuant to this Article;

(ii) to the payment of the interest and principal amount or Redemption Price then due on the Bonds, subject to the provisions of Section 602, as follows:

(a) unless the principal amount of all of the Bonds shall have become due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order in which such installments came due, and, if the amount available shall not be sufficient to pay in full all installments that came due at the same time, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amount or Redemption Price of any Bonds which shall become due, whether at maturity or by call for redemption, in the order of their due

dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

(b) if the principal of all of the Bonds shall have become due and payable, to the payment of the principal amount and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amount and interest, to the persons entitled thereto, without any discrimination or preference;

(iii) to the payment of any person entitled to the payment of any Bond Related Cost ratably in accordance with the amount of such Bond Related Costs.

(c) If and whenever all overdue installments of interest on all Bonds together with the reasonable and proper charges and expenses of the Fiduciaries, and all other sums payable by the State under this Trust Agreement, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be due and payable, shall either be paid by or for the account of the State, or provision satisfactory to the Trustee shall be made for such payment and all defaults under this Trust Agreement or the Bonds shall have been cured, the Trustee shall pay over to the State all moneys, securities and funds remaining unexpended in all funds and accounts provided by this Trust Agreement to be held by the State, and thereupon the State and the Trustee shall be restored, respectively, to their former positions and rights under this Trust Agreement and all Pledged Funds shall thereafter be applied as provided in Article V. No such payment over to the State by the Trustee or resumption of the application of Pledged Funds as provided in Article V shall extend to or affect any subsequent default under this Trust Agreement or impair any right consequent thereon.

(d) The proceeds of any Credit Enhancement or Liquidity Facility shall be applied by the Trustee in the manner provided in the Supplemental Trust Agreement authorizing such Credit Enhancement or Liquidity Facility.

SECTION 703. Proceedings Brought by Trustee.

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee may proceed to protect and enforce its rights and the rights of the registered owners of the Bonds under this Trust Agreement by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the State as if the State as the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Trust Agreement.



(b) All rights of action under this Trust Agreement may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on the trial or other proceedings.

(c) The registered owners of a majority in principal amount of the Bonds Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction, unless the Trustee is indemnified to its satisfaction.

(d) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the registered owners of a majority in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may deem necessary or expedient to prevent any impairment of the security under this Trust Agreement by any acts which may be unlawful or in violation of this Trust Agreement, or necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

(e) Nothing contained herein is intended to preclude the Trustee upon the occurrence of an Event of Default hereunder from asserting any and all remedies it may have at law or equity with respect to the Pledged Funds and other amounts held as security hereunder, including asserting any rights it may have as Trustee hereunder as a secured party with respect to all security granted hereunder.

SECTION 704. Restriction on Bondholders' Action.

(a) No registered owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Trust Agreement or for any remedy under the Trust Agreement, unless such registered owner shall have previously given to the Trustee written notice of the happening of any Event of Default and the registered owners of at least twenty-five percent (25%) in principal amount of Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, to exercise the powers granted in this Article in its own name, and unless such registered owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred thereby, and the Trustee shall have refused to comply with such request within a reasonable time.

(b) Nothing in this Trust Agreement shall affect or impair the obligation of the State to pay on the respective dates of maturity thereof the principal amount of and interest on the Bonds, or affect or impair the right of action of any registered owner to enforce the payment of such owner's Bonds.

SECTION 705. Remedies not Exclusive. No remedy by the terms of this Trust Agreement conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be

in addition to every other remedy given under this Trust Agreement or provided at law or in equity or by statute.

SECTION 706. Effect of Waiver and Other Circumstances.

(a) No delay or omission of the Trustee or of any Bondholder to exercise any right or power arising upon the occurrence of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or to be an acquiescent therein.

(b) The registered owners of a majority in principal amount of the Bonds at the time Outstanding may on behalf of the registered owners of all of the Bonds waive any past default under the Trust Agreement and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Bonds. No such waiver shall extend to any subsequent or other default.

SECTION 707. No Right of Acceleration. Neither the Bondholders nor the Trustee shall have any right to accelerate the payment of principal or interest due on any Bonds Outstanding upon the occurrence of any Event of Default hereunder.

**ARTICLE VIII.**

**The Fiduciaries**

SECTION 801. Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Trust Agreement by its execution hereof and, by executing this Trust Agreement, the Trustee shall be deemed to have accepted such duties and obligations under this Trust Agreement not only with respect to the Initial Bonds but also with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in this Trust Agreement.

SECTION 802. Paying Agents.

(a) The State shall appoint a Paying Agent for the Bonds of any Series in the Applicable Supplemental Trust Agreement. Each Paying Agent shall be a bank or trust company or national banking association having a capital and surplus aggregating at least fifty million dollars (\$50,000,000), if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Trust Agreement by executing and delivering to the State and to the Trustee a written acceptance thereof. The Trustee may be appointed to act as a Paying Agent for any Series of Bonds.

(b) In addition to the other obligations imposed on the Paying Agent hereunder, or under the Applicable Supplemental Trust Agreement, the Paying Agent shall agree with respect to its related Series of Bonds to:

(i) hold all Bonds delivered to it for purchase in trust for the benefit of the registered owners thereof until moneys representing the purchase price of such Bonds shall have been delivered to or for the account of or the order of such Bondholders;

(ii) hold all moneys representing the purchase price of Bonds in trust for the benefit of the persons entitled to receive the payment of such purchase price;

(iii) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the State and the Trustee at all reasonable times;

(iv) maintain the Register, and transfer and exchange Bonds; and

(v) deliver to the Trustee and the State upon request a list of the names and addresses of the registered owners of the Bonds.

(c) If at any time the Paying Agent is unable or unwilling to act as Paying Agent, the Paying Agent may resign, upon thirty (30) days' prior written notice to the State Treasurer and the Trustee. Such resignation shall become effective upon the date specified in such notice, unless a successor Paying Agent has not been appointed, in which case such resignation shall become effective upon the appointment of such successor. If such successor Paying Agent has not been appointed within sixty (60) days following the Paying Agent's resignation, the Paying Agent shall have the right to petition a court of competent jurisdiction to appoint a successor Paying Agent. The Paying Agent may be removed at any time by a written notice signed by an Authorized Officer delivered to the Trustee, each Bondholder and the Paying Agent. An Authorized Officer will promptly certify to the Trustee that it has mailed such notice and such certificate will be conclusive evidence that such notice was given in the manner required hereby. Upon resignation or removal of the Paying Agent, the State Treasurer shall appoint a successor Paying Agent which is a bank or trust company meeting the requirements of subsection (a) above. An Authorized Officer shall notify each Bondholder of the related Series of Bonds of the appointment of such successor. Upon the resignation or removal of the Paying Agent, the Paying Agent shall pay over, assign and deliver any moneys and Bonds held by it in trust pursuant to this Section 802 to its successor.

(d) The State may appoint in the Applicable Supplemental Trust Agreement a Co-Paying Agent, meeting the requirements of a Paying Agent set forth in Section 802(a), for the Bonds of any Series for purposes of paying the principal on such Bonds or effecting transfers and exchanges, subject to the provisions above and those set forth in the Applicable Supplemental Trust Agreement.

### SECTION 803. Responsibility of Fiduciaries.

(a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same. The duties and obligations of the Fiduciaries shall be determined by the express provisions of this Trust Agreement and the Fiduciaries shall not be liable except for their performance of such duties and obligations as are specifically set forth herein. No Fiduciary makes any representations as to the ability or sufficiency of this Trust Agreement or of any

Bonds issued thereunder or in respect of the security afforded by this Trust Agreement and no Fiduciary shall incur any responsibility in respect thereof. Each Paying Agent shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds to the extent provided in Article 8, Section 208, as amended, of the New Hampshire Uniform Commercial Code or any other successor provision of law. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the State or any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. The State hereby acknowledges and agrees to pay or reimburse the Trustee for any extraordinary expenses incurred in the performance of its duties as trustee hereunder to the extent permitted by law, including, but not limited to, available legislative appropriation. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own gross negligence or bad faith nor shall any Fiduciary be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement. A Fiduciary shall have the right to act through its agents or attorneys. No permissive right of a Fiduciary described herein shall be construed as a duty.

(b) All moneys held by any Fiduciary, as such, at any time pursuant to the terms of this Trust Agreement shall be and hereby are assigned, transferred and set over unto such Fiduciary in trust for the purposes and under the terms and conditions of this Trust Agreement.

SECTION 804. Evidence on Which Fiduciary May Act. Each Fiduciary shall be protected in acting upon any notice, Trust Agreement, request, consent, order, certificate, report, opinion, bond, Bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate executed in the name of the State by an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Trust Agreement upon the faith, thereof, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

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

SECTION 806. Permitted Acts. Any Fiduciary may become the owner of any Bonds and may otherwise deal with the State, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit

any of its offices or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Trust Agreement, whether or not any such committee shall represent the registered owners of a majority in principal amount of the Bonds Outstanding.

SECTION 807. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving not less than sixty (60) days' written notice to the State Treasurer and giving not less than thirty (30) days' written notice to each Bondholder and Paying Agent specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice provided a successor shall have been appointed, unless previously a successor shall have been appointed by the State Treasurer or the Bondholders as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor.

SECTION 808. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the registered owners of a majority in principal amount of the Bonds then outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the State. Except during the existence of an Event of Default, the State Treasurer may remove the Trustee at any time for cause or upon not less than ninety (90) days' prior written notice to the Trustee for such other reason as shall be determined in the sole discretion of the State Treasurer.

SECTION 809. Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the registered owners of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or on account of the State, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the State Treasurer and the predecessor Trustee. Pending such appointment, the State Treasurer by a written instrument signed by an Authorized Officer and delivered to the predecessor Trustee shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders as herein authorized. An Authorized Officer shall give written notice of any such appointment made by it to each Bondholder and Paying Agent at least thirty (30) days after the date of such appointment. Any successor Trustee appointed by the State Treasurer shall, immediately and without further act, be superseded by a Trustee appointed by the Bondholders. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the State Treasurer written notice as provided in Section 807 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or the registered owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company organized under the laws of any state, or a national banking association,

having a capital and surplus aggregating at least fifty million dollars (\$50,000,000), if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Trust Agreement.

SECTION 810. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the predecessor Trustee, and also to the State Treasurer, an instrument accepting such appointment hereunder and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein, but the Trustee ceasing to act shall nevertheless, on the written request of the State Treasurer, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and all such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it hereunder, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth.

SECTION 811. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business provided such company shall be a bank or trust company or national banking association which is qualified to be a successor to such Fiduciary under Section 809 or Section 802(b) and shall be authorized by law to perform all the duties imposed upon it by this Trust Agreement, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding.

## **ARTICLE IX.**

### **Supplemental Trust Agreement**

SECTION 901. Supplemental Trust Agreement Effective upon Filing. The State Treasurer, and the Trustee may at any time and from time to time enter into supplements or amendments to this Trust Agreement for any one or more of the following purposes, which Supplemental Trust Agreement upon the execution thereof by the State Treasurer and Trustee in accordance with Section 903 shall be fully effective in accordance with its terms:

(a) to cure any ambiguity, inconsistency or formal defect or omission in this Trust Agreement;

(b) to close this Trust Agreement against, or provide limitations and restrictions contained in this Trust Agreement on, the original issuance of Bonds;

(c) to add to the covenants and agreements of the State contained in this Trust Agreement other covenants and agreements thereafter to be observed for the purpose of further securing the Bonds;

(d) to surrender any right, power or privilege reserved to or conferred upon the State by this Trust Agreement;

(e) to authorize Bonds of a Series and, in connection therewith, specify and determine any matters and things relative to such Bonds not contrary to or inconsistent with this Trust Agreement;

(f) to authorize any Credit Enhancement or Liquidity Facility;

(g) to exercise any provision herein or to make such determinations hereunder as expressly provided herein to be exercised or determined in a Supplemental Trust Agreement;

(h) to confirm, as further assurance, any pledge under and the subjection to any lien or pledge created or to be created by this Trust Agreement of the Pledged Funds;

(i) in connection with any change in the State Fiscal Year or Federal Fiscal Year, to amend or supplement the appropriate provisions of this Trust Agreement, including without limitation, Section 504, to reflect such change in a manner consistent, as nearly as practicable, with the original provisions of this Trust Agreement, as amended to the date of the Supplemental Trust Agreement implementing the amendment or supplement authorized by this subsection; and

(j) for any other purpose, provided that such Supplemental Trust Agreement does not prejudice in any material respect the right of the registered owner of any Bond Outstanding at the date such Supplemental Trust Agreement becomes effective.

SECTION 902. Supplemental Trust Agreements Amending Trust Agreement or Bonds. At any time or from time to time but subject to the conditions or restrictions in this Trust Agreement contained the State and Trustee may amend or supplement this Trust Agreement modifying any of the provisions of this Trust Agreement or Bonds or releasing the State from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, but, except as provided in Section 901, no such amendment or supplement shall be effective until after the execution of such amendment or supplement by the State and Trustee and unless (a) no Bonds authorized by a Supplemental Trust Agreement adopted prior to the adoption of such Supplemental Trust Agreement remain Outstanding at the time it becomes effective, or (b) such Supplemental Trust Agreement is consented to by or on behalf of Bondholders in accordance with and subject to the provisions of Article X.

SECTION 903. Adoption and Filing of Supplemental Trust Agreement. Any supplement or amendment to this Trust Agreement referred to and permitted or authorized by this Article IX may be executed by the State Treasurer and the Trustee and, subject to the provisions of Section 902, become effective without the consent of any of the Bondholders, but shall become effective only on the conditions to the extent and at the time provided in this Article. Every such amendment or supplement so becoming effective shall thereupon form a

part of this Trust Agreement. Any such amendment or supplement shall be accompanied by a Bond Counsel's opinion to the effect that such amendment or supplement has been duly and lawfully adopted by the State in accordance with the provisions of this Trust Agreement, is authorized or permitted by this Trust Agreement, and constitutes the lawful and binding obligation of the State in accordance with its terms. The Trustee shall deliver a copy of each Supplemental Trust Agreement promptly after receipt thereof to each Rating Agency then maintaining a rating on the Outstanding Bonds.

## **ARTICLE X.**

### **Amendments**

SECTION 1001. Mailing. Any provision in this Article X for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of the Bonds then Outstanding at its address, if any, appearing upon the applicable register and (ii) to the Trustee.

SECTION 1002. Powers of Amendment. Any modification or amendment of the Bonds or of this Trust Agreement may be made by a Supplemental Trust Agreement, with the written consent given as provided in Section 1003, (i) of the registered owners of at least a majority in the principal amount of all Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the registered owners of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Payment, of the registered owners of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment Outstanding at the time such consent is given; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the vote or consent of the registered owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of outstanding Bonds under this Section; and provided, further, that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or the rate of interest thereon or the method for determining such rate or terms of any Credit Enhancement or Liquidity Facility relating to a Bond without the consent of the registered owner of such Bond, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto, or shall reduce the percentages of the principal amount of Bonds the consent of which is required to effect any such modification or amendment.

SECTION 1003. Consent of Bondholders. The State and the Trustee may at any time execute a Supplemental Trust Agreement making a modification or amendment permitted by the provisions of Section 1002, to take effect when and as provided in this Section. Upon the execution of such Supplemental Trust Agreement, a copy thereof shall be filed with the Trustee for inspection by the Bondholders. A copy of such Supplemental Trust Agreement (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee shall be mailed by the



State to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Trust Agreement when consented to as in this Section provided). Such Supplemental Trust Agreement shall not be effective unless and until there shall have been filed with the Trustee the written consents of the percentages of the registered owners of Outstanding Bonds specified in Section 1002 and a notice shall have been given as hereinafter in this Section provided. Any such consent shall be binding upon the registered owner of the Bonds giving such consent and on any subsequent registered owner of such Bonds (whether or not such subsequent registered owner has notice thereof). At any time after the registered owners of the required percentages of Bonds shall have filed their consent to the Supplemental Trust Agreement, notice, stating in substance that the Supplemental Trust Agreement has been consented to by the registered owners of the required percentages of Bonds and will be effective as provided in this section, may be given to the Bondholders by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Trust Agreement from becoming effective and binding as herein provided). An Authorized Officer shall file with the Trustee proof of giving such notice. Such Supplemental Trust Agreement shall be deemed conclusively binding upon the State, the Fiduciaries and the registered owners of the all Bonds at the expiration of sixty (60) days after the filing with the Trustee of the proof of the mailing of such notice, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding commenced for such purpose within such sixty-day period; provided, however, that any Fiduciary and the State during such sixty-day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Trust Agreement as they may deem expedient.

SECTION 1004. Modification by Unanimous Action. Notwithstanding anything contained in Article IX or in the foregoing provisions of this Article, the rights and obligations of the State and of the registered owners of the Bonds and the terms and provisions of the Bonds or of this Trust Agreement may be modified or amended in any respect upon the execution of a Supplemental Trust Agreement by the State and the Trustee and the consent of the registered owners of all of the Bonds then Outstanding, such consent to be given as provided in Section 1003 except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

SECTION 1005. Exclusion of Bonds. Bonds owned or held by or for the account of the State shall not be deemed outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article, and shall not be entitled to consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the State shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds to be excluded.

SECTION 1006. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as hereinabove in this Article X provided may, and, if the Trustee determines, shall, bear a notation by endorsement or otherwise in form approved by the State and the Trustee as to such actions and in that case upon demand of the registered owner of any Bond Outstanding at or after such effective date and presentation of its Bond for the purpose to the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action.

If the State or the Trustee shall so determine new Bonds so modified as in the opinion of the Trustee and the State to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such is Bondholder, for Bonds of the same Series and maturity then outstanding, upon surrender of such Bonds.

## **ARTICLE XI.**

### **Defeasance**

#### SECTION 1101. Defeasance.

(a) If the State shall pay or cause to be paid, or here shall otherwise be paid, to the registered owners of the Bonds then Outstanding, the principal amount and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Trust Agreement and if no Bond Related Costs then due and payable remain unpaid or payment of any such Costs has been provided for, then the pledge of the Pledged Funds and any other moneys and securities pledged by this Trust Agreement and all other rights granted by this Trust Agreement shall be discharged and satisfied. In such event, the Trustee shall, upon request of the State, execute and deliver to the State all such instruments as may be desirable to evidence such release and discharge and the Fiduciaries shall pay over or deliver to the State all moneys or securities held by them pursuant to this Trust Agreement which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption or for the payment of any Bond Related Costs or for deposit to any Rebate Account with respect to any Series of Tax Exempt Bonds.

(b) Bonds or interest installments for the payment or redemption of which moneys shall be held by the Fiduciaries (through deposit by the State of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section 1101. All Outstanding Bonds of any Series or any part of a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section 1101 if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, an Authorized Officer shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to provide, as provided in Article IV, notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee in the Defeasance Account either moneys in an amount which shall be sufficient, or Defeasance Obligations not subject to redemption at the option of the issuer thereof prior to the due date thereof, as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, or upon compliance with the provisions of subsection (e) of this Section 1101 which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates, in each case the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the time of deposit of such Defeasance Obligations, shall be sufficient, as certified by a firm of independent public accountants, to pay when due the principal amount or Redemption Price, if applicable, and

interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and in the event said Bonds do not mature and are not by their terms subject to redemption within the next succeeding sixty (60) days, an Authorized Officer shall have given the Trustee in form satisfactory to it irrevocable instructions to provide, as soon as practicable, written notice to the registered owners of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with paragraph (a) of this Section 1101 and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal amount or Redemption Price, if applicable, on said Bonds. Neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and all of the same shall be held in trust for, the payment of the principal amount or Redemption Price, if applicable, and interest on said Bonds; provided, however that any cash received from the principal or interest payments on such Defeasance Obligations deposited with the Trustees if not then needed for such purpose, may, to the extent practicable be reinvested in Defeasance Obligations as directed by an Authorized Officer or, in lieu of such direction at the time of receipt, an Authorized Officer may authorize and direct the Trustee to enter into one or more forward purchase agreements providing for the purchase of Defeasance Obligations at future dates; provided, further, that if such amounts shall have been derived from the proceeds of any Tax Exempt Bonds or Bonds not issued hereunder which shall have been issued on the basis that the interest thereon is not includable in the gross income of the Holder thereof for federal income tax purposes, any such amounts may be reinvested, or any such forward purchase agreement may be executed only upon receipt by the Trustee of a Bond Counsel's Opinion that such reinvestment or forward purchase agreement shall not adversely affect the exclusion of the interest on such Tax Exempt Bonds or other Bonds from gross income for federal income tax purposes. Prior to authorizing the execution of any such forward purchase agreement, the State shall notify each Rating Agency then maintaining a rating on the Bonds or on any such other Bonds of its intention to do so. After the making of the payments for which such Defeasance Obligations or moneys were held, any surplus shall be promptly paid over to the State, as received by the Trustee, free and clear of any trust, lien or pledge or assignment securing the Bonds or otherwise existing under this Trust Agreement.

(c) For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Obligations and moneys, if any, in accordance with subsection (b)(ii) hereof, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Variable Rate Ceiling if in effect with respect to such Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such Variable Rate Ceiling for any period, the total amount of moneys and Defeasance Obligations on deposit with the Trustee for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Rate Bonds in order to satisfy the provisions of subsection (b)(ii) above, the Trustee shall, if requested by the State, pay promptly the amount of such excess to the State free and clear of any trust, lien, pledge or alignment securing the Bonds or otherwise existing under this Trust Agreement.

(d) Tender Bonds shall be deemed to have been paid in accordance with subsection (b)(ii) hereof only if, in addition to satisfying the requirements thereof, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the registered owners of such Bonds upon the exercise of any options provided to the registered owners of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to the provisions of subsection (b)(ii) above, the options originally exercisable by the registered owner of Tender Bonds are no longer exercisable, such Bonds shall not be considered Tender Bonds for purposes of this Subsection (d). If any portion of the moneys deposited with the Trustee for the payment of the principal amount of and premium any, and interest on Tender Bonds is not required for such purpose the Trustee shall, if requested by the State, pay promptly the amount of such excess to the State free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Trust Agreement.

(e) Defeasance Obligations described in subsection (b)(ii) above may be included in the Defeasance Obligations deposited with the Trustee in order to satisfy the requirements of subsection (b)(ii) above only if the determination as to whether moneys and Defeasance Obligations to be deposited with the Trustee in order to satisfy the requirements of such subsection (b)(ii) above would be sufficient to pay when due either on the maturity date thereof or, in the case of any Bonds to be redeemed prior to the maturity date thereof, on the redemption date or dates specified in any notice of redemption to be made by the Trustee or in the instructions to give a notice of redemption provided to the Trustee in accordance with subsection (b)(ii) above, the principal of or Redemption Price, if applicable, and interest on the Bonds which will be deemed to have been paid as provided in subsection (b)(ii) above is made both (i) on the assumption that the Defeasance Obligations described in subsection (b)(ii) above were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumption that such Defeasance Obligations would be redeemed by the issuer thereof at its option on each date on which such Option could be exercised, that as of such date or dates interest ceased to accrue on such Defeasance Obligations and that the proceeds of such redemption would not be reinvested by the Trustee.

(f) In connection with the defeasance of any Bonds or portions thereof in accordance with this Section 1101, if such Bonds are to be paid at maturity, the State Treasurer shall, at the time of delivery to the Trustee of the Notice of Redemption or Defeasance specified in Section 504(c), also deliver a certificate to the Trustee, specifying whether or not, notwithstanding such defeasance, the State has waived its right to redeem such defeased Bonds prior to maturity.

(g) Anything in this Trust Agreement to the contrary notwithstanding any moneys held by the Fiduciary in trust for the payment and discharge of any Bonds which remain unclaimed for the applicable escheat period after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for the applicable escheat period after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall be paid to the State as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the

Bondholders shall look only to the State for the payment of such Bonds; provided, however, that before being required to make any such payment to the State, the Fiduciary shall, at the expense of the State, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in Authorized Newspapers, a notice that said moneys remain unclaimed it and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned promptly to the State.

## ARTICLE XII.

### Form of Bonds

SECTION 1201. General Form of Bond. Except as otherwise provided in the Applicable Supplemental Trust Agreement, the Bonds of each Series shall be in substantially the following form, with such insertions as to any redemption or amortization provisions and such other insertions, omission and variations as may be required or permitted by law or this Trust Agreement and the Applicable Supplemental Trust Agreement:

No. R-

\$

THE STATE OF NEW HAMPSHIRE

FEDERAL HIGHWAY GRANT ANTICIPATION BOND

[ \_\_\_\_ SERIES \_ ]

INTEREST RATE:

CUSIP:

MATURITY DATE:

DATED DATE:

(Date as of which Bonds of this series were initially issued.)

BOND PAYMENT DATES: March 1 and September 1

(but not before March 1, 2011)

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

PAYING AGENT:

THE STATE OF NEW HAMPSHIRE (the "State"), for value received, promises to pay to the REGISTERED OWNER or registered assigns, on the MATURITY DATE (or earlier as herein provided) the PRINCIPAL AMOUNT, and to pay interest on the unpaid principal balance hereof from the DATED DATE, semiannually on the BOND PAYMENT DATES, at the

INTEREST RATE PER ANNUM (calculated on the basis of a 360-day year consisting of twelve 30-day months) until the PRINCIPAL AMOUNT is paid or has been provided for.

This Bond is one of a duly authorized issue of Bonds of the State (the “Bonds”), issued and to be issued under the provisions of New Hampshire RSA 228-A (the “Act”). The Bonds have been further authorized by a certain Trust Agreement dated as of October 20, 2011 (the “Trust Agreement”) between the State and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). As provided in the Trust Agreement, Bonds may be issued from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Trust Agreement. Except as provided in the Trust Agreement, the aggregate principal amount of Bonds which may be issued thereunder is not limited, and all Bonds issued and to be issued under the Trust Agreement are and will be equally secured by the pledge of the Pledged Funds and other amounts provided therein.

This Bond is one of a series of Bonds designated as “Federal Highway Grant Anticipation Bonds ... Series ...” (the “... Series ... Bonds”), issued under the Trust Agreement and a ... Supplemental Trust Agreement, dated as of \_\_\_\_\_, \_\_\_\_ (the “Supplemental Trust Agreement”), authorizing the ... Series ... Bonds and limited to the aggregate principal amount of \$ \_\_\_\_\_. Reference is hereby made to the Trust Agreement and Supplemental Trust Agreement, executed copies of which are on file with the State Treasurer and at the corporate trust office of the Trustee, and to the Act for a description of (a) the respective rights, duties and obligations of the State, the Trustees the Paying Agent and the Registered Owners of the Bonds, (b) the terms and conditions upon which the Bonds are and may hereafter be issued and secured, (c) the interests and revenues pledged as security for the Bonds, the manner of enforcement of the pledge and the rights and remedies of the Registered Owners of the Bonds with respect thereto, (d) the conditions upon which the Trust Agreement and Supplemental Trust Agreement may be amended with or without the consent of the Registered Owners of the Bonds, (e) the terms upon which Bonds it may no longer be secured by the Trust Agreement if sufficient monies or specified securities are deposited with the Trustee and Paying Agent in trust for their payment and (f) other matters, to all of which the Registered Owner hereof assents by the acceptance of this Bond. Certain capitalized terms not otherwise in defined in this Bond have the meanings ascribed thereto in the Trust Agreement.

The ... Series ... Bonds are being issued pursuant to the Act.

**THIS BOND IS NOT A GENERAL OBLIGATION OF THE STATE OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE. EXCEPT TO THE EXTENT PAID FROM BOND PROCEEDS, THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THE PAYMENT THEREOF UNDER AND PURSUANT TO THE TRUST AGREEMENT AND SUPPLEMENTAL TRUST AGREEMENT. EXCEPT AS CONTAINED IN THE TRUST AGREEMENT, THE SUPPLEMENTAL TRUST AGREEMENT OR HEREIN, THE STATE MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE BONDS OR ANY SECURITY THEREFOR.**

The principal or redemption price of and interest on this Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts. The principal or redemption price of this Bond shall be payable at the office of the Paying Agent as specified in the Supplemental Trust Agreement upon presentation and surrender of this Bond to the Paying Agent. Interest on this Bond may be paid by check or draft as specified in the Supplemental Trust Agreement. The record dates for purposes of determining Registered Owners for purposes of paying interest on this Bond are to be determined as specified in the Supplemental Trust Agreement.

So long as any of the ... Series ... Bonds shall remain Outstanding the State shall maintain and keep, at the Office of the Paying Agent for the ... Series ... Bonds, which shall be registrar for the ... Series ... Bonds, books for the registration and transfer of the ... Series ... Bonds. This Bond shall be transferable only upon the register by the Registered Owner thereof in person or by its attorney duly authorized in writing upon presentation and surrender thereof together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or its duly authorized attorney. Upon the transfer of this Bond the State shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, series and maturity and tenor as the surrendered Bond.

The State, the Trustee and the Paying Agent may deem and treat the person in whose name this Bond shall be registered upon the register for the ... Series ... Bonds as the absolute owner of this Bond, whether this Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and redemption price of and interest on this Bond and for all other purposes, and none of the State, the Trustee or the Paying Agent shall be affected by any notice to the contrary.

For each exchange or transfer of this Bond, whether temporary or definitive, the State or the Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. The State shall not be obligated to make any such exchange or transfer of this Bond (a) during the 20 days next preceding any Bond Payment Date or (b) in the case of any proposed redemption of any ... Series ... Bonds, if this Bond has been selected, called or being called for redemption under the Trust Agreement in whole or in part.

[Insert optional and mandatory redemption terms.]

When the Trustee shall receive notice from the State of its election to redeem any ... Series ... Bonds pursuant to the Trust Agreement, or when redemption of any ... Series ... Bonds is required by the Trust Agreement and the Supplemental Trust Agreement, the Trustee shall give notice, in the name of the State, of the redemption of such ... Series ... Bonds, which notice shall specify the maturities of the ... Series ... Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the ... Series ... Bonds of like maturity are to be redeemed the letters and numbers or other distinguishing marks of such Series Bonds so to be redeemed, and, in the case of ... Series ... Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. The Trustee shall mail a copy of such notice, postage prepaid not less than 30 days before the redemption date, to the Registered Owners of any Series Bonds or portions of Series

Bonds which are to be redeemed at their last address appearing upon the register for such Series Bonds on the record date for such Series as provided in the Supplemental Trust Agreement but failure so to mail any such notice to any particular Registered Owner shall not affect the validity of the proceedings for the redemption of ... Series ... Bonds owned by any other Registered Owner to whom such notice has been mailed. Notices of redemption may be conditioned on the availability of sufficient funds on the date of redemption.

Notice of redemption having been given in the manner provided in the Trust Agreement, the Series Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the redemption price thereof, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such ... Series ... Bonds, or portions thereof, shall be paid at the redemption price thereof plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of a ... Series ... Bond, the State shall execute and the Paying Agent shall authenticate and deliver, upon the surrender of such ... Series ... Bond, without charge to the Registered Owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, at the option of the Registered Owner thereof, Bonds of like series and maturity in any of the authorized denominations. If on the redemption date, moneys for the redemption of all the ... Series ... Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date, and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the ... Series ... Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be available on the redemption date, such ... Series ... Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called redemption.

[Insert book-entry provisions, if applicable.]

All acts, formalities and conditions essential to the validity hereof have been performed and complied with.

The Registered Owner of this Bond shall have no right to enforce any provision or covenant of the Trust Agreement or the supplemental Trust Agreement for this series, except as provided therein. Modifications or alterations of the Trust Agreement and Supplemental Trust Agreement may be made only as provided in the respective document. Neither the Trustee nor any Registered Owner shall have any right to accelerate the payment of any interest or principal due on any Bonds upon the occurrence of any Event of Default under the Trust Agreement.

No personal responsibility or accountability shall attach to any person executing this Bond by reason of such execution or the issuance hereof.

This Bond shall not be entitled to any security, right or benefit under the Trust Agreement or be valid or obligatory for any purpose, unless the certificate of authentication hereon has been duly executed by the Paying Agent.



In connection with the offering of the ... Series ... Bonds the State covenants to comply with the terms of the continuing disclosure undertaking set forth as Appendix A to this Bond, the terms of which undertaking are hereby incorporated by reference in to this Bond.

This bond will not be valid unless the Certificate of Paying Agent has been signed by the Paying Agent.

STATE OF NEW HAMPSHIRE

Date of  
Registration:

\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
State Treasurer

Countersigned:

By: \_\_\_\_\_  
Governor

Attest:

\_\_\_\_\_  
Secretary of State

Certificate of Paying Agent

This is one of the bonds described in the opinion attached to this bond, which is a true copy of the original opinion dated as of the date of original delivery of the bonds of this issue.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.

By: \_\_\_\_\_  
Authorized Officer

[Form of Continuing Disclosure Undertaking to be attached as Appendix A]

## ARTICLE XIII.

### Miscellaneous

#### SECTION 1301. Evidence of Signatures of Bondholders and Ownership of Bonds.

(a) Any request, consent or other instrument which this Trust Agreement may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of owning the same, shall be proved by the register for Bonds of the applicable Series.

(c) Any request, consent or vote of the registered owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the State or any Fiduciary in accordance therewith.

SECTION 1302. Preservation and Inspection of Documents. All documents received by a Fiduciary under the provisions of this Trust Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of the State any other Fiduciary and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

SECTION 1303. No Recourse on the Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or the interest on the Bonds or for any claim based thereon or on this Trust Agreement against any official, agent, representative or employee of the State or any person executing the Bonds. No official, agent, representative or employee of the State shall be held personally liable to any purchaser or holder of any Bond under or upon such Bond under or upon such Bond, or under or upon this Trust Agreement or any Supplemental Trust Agreement relating to Bonds, or, to the extent permitted by law, because of the sale or issuance or attempted sale or issuance of Bonds, or because of any act or omission in connection with the investment or management of the Pledged Funds, funds or moneys of the State, or otherwise in connection with the management of its affairs, excepting solely for things willfully done or omitted to be done with an intent to defraud.

SECTION 1304. Partial Invalidity. If any provision of this Trust Agreement or any Trust Agreement supplemental thereto is held invalid in any circumstance, such invalidity shall not affect any other provisions or circumstances.

SECTION 1305. Headings. Any headings preceding the texts of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 1306. Moneys Held for Particular Bonds. Amounts held by the Trustee for the payment of the principal or purchase price of or interest or premium on Bonds due on any

date shall, pending such payment, be set aside and held in trust by it for the Holders of such Bonds and, for the purposes of this Trust Agreement, such principal or purchase price of and interest and premium on such Bonds shall no longer be considered to be unpaid, and the holders of such Bonds shall have no further rights under this Trust Agreement except to receive payment from such amounts set aside or held for such payment.

SECTION 1307. Business Days. Except as otherwise expressly provided herein or in any Supplemental Trust Agreement, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date.

SECTION 1308. Notices.

(a) Any notice or other instrument authorized or required to be given pursuant to this Trust Agreement to the State, the Department, the Trustee or any of the Rating Agency which at the request of the State shall have assigned a rating to the Bonds shall be sent by hand delivery, mail, overnight delivery, telecopy or other electronic means addressed as follows:

In the case of the State:

State of New Hampshire  
Office of the Treasury  
State House Annex  
25 Capitol Street, Room 121  
Concord, New Hampshire 03301  
Attention: Catherine A. Provencher, State Treasurer  
Telephone: (603) 271-2621  
Facsimile: (603) 271-3922  
Email: cprovencher@treasury.state.nh.us

In the case of the Department:

State of New Hampshire  
Department of Transportation  
7 Hazen Drive  
Concord, New Hampshire 03301  
Attention: George N. Campbell, Jr., Commissioner  
Telephone: (603) 271-1484  
Facsimile: (603) 271-3914  
Email: gcampbell@dot.state.nh.us

In the case of the Trustee:

The Bank of New York Mellon Trust Company, N.A.  
Corporate Trust Division  
222 Berkeley Street, 2<sup>nd</sup> Floor  
Boston, Massachusetts 02116  
Attention: Ms. Susan M. Calise, Vice President  
Telephone: (617) 536-3467  
Facsimile: (617) 351-2401  
Email: susan.calise@bnymellon.com

In the case of the Rating Services:

Moody's Investor Service  
7 World Trade Center  
250 Greenwich Street  
New York, New York 10007  
Attention: Lisa Cole, VP-Senior Analyst  
Telephone: (212) 553-4524  
Facsimile: (212) 298-7053  
Email: lisa.cole@moodys.com

Standard & Poor's  
55 Water Street, 38<sup>th</sup> Floor  
New York, New York 10041  
Attention: Adam Torres, Associate Director  
Telephone: (212) 438-2481  
Facsimile: (212) 438-2151  
Email: adam\_torres@sandp.com

(b) Except as otherwise provided in any Applicable Supplemental Trust Agreement, when any notice is required to be given to the holder of any Bond, such notice shall be mailed by first-class mail to the registered owner of such Bond at such owner's address as it appears on the registration books maintained by the Registrar. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

(c) For purposes of this Section and the definition of Immediate Notice, "electronic means" shall mean telecopy or facsimile transmission or other similar electronic means of communication which produces evidence of transmission.

SECTION 1309. Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes; and all such counterparts shall together constitute but one and the same instrument.

SECTION 1310. Law and Place of Enforcement of this Trust Agreement. This Trust Agreement shall be construed and governed in accordance with the laws of the State and all suits and actions arising out of this Trust Agreement shall be instituted in a court of competent jurisdiction in the State.

SECTION 1311. Electronic Communications. Each Fiduciary agrees to accept and act upon instructions or directions pursuant to this Agreement sent by the State or any Bondholder, as the case may be, by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the State or any Bondholder, respectively, shall provide to the Fiduciary an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the State or any Bondholder, as applicable, elects to give the Fiduciary e-mail or facsimile instructions (or instructions by a similar electronic method) and the Fiduciary in its discretion elects to act upon such instructions, the Fiduciary's understanding of such instructions shall be deemed controlling. The Fiduciary shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiduciary's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The State or any Bondholder, as applicable, agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Fiduciary, including without limitation the risk of the Fiduciary acting on unauthorized instructions, and the risk of interception and misuse by third parties.

IN WITNESS WHEREOF, the State Treasurer has executed and delivered this Trust Agreement in the name and on behalf of The State of New Hampshire; and the Trustee has caused this Trust Agreement to be signed in its name and behalf by its authorized officer, and in each case as a sealed instrument, all as of the date hereof.

**THE STATE OF NEW HAMPSHIRE**

By: \_\_\_\_\_  
State Treasurer

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By: \_\_\_\_\_  
Authorized Officer

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