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DALLAS AREA RAPID TRANSIT

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SECOND SUPPLEMENTAL DEBT RESOLUTION

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authorizing

\$400,000,000

maximum aggregate principal amount

of

DALLAS AREA RAPID TRANSIT  
SENIOR LIEN SALES TAX REVENUE BONDS, SERIES 2001

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Adopted July10, 2001

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1	Short Title .....	3
Section 1.2	Definitions.....	3
Section 1.3	Table of Contents, Titles and Headings .....	7
Section 1.4	Interpretation.....	7
Section 1.5	Declarations and Additional Rights and Limitations Under Master Debt Resolution and Other Documents .....	7

ARTICLE II

PURPOSES, PLEDGE AND SECURITY FOR BONDS

Section 2.1	Purposes of Resolution .....	9
Section 2.2	Pledge, Security for, Sources of Payment of Bonds .....	10

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS  
REGARDING THE BONDS

Section 3.1	Authorization .....	10
Section 3.2	Bond Date, Denominations, Numbers, Maturities, Interest and Characteristics of the Initial Bond .....	10
Section 3.3	Medium, Method and Place of Payment.....	13
Section 3.4	Ownership.....	14
Section 3.5	Registration, Transfer and Exchange.....	14
Section 3.6	Cancellation and Authentication.....	15
Section 3.7	Temporary Bonds.....	15
Section 3.8	Replacement Bonds .....	16
Section 3.9	Book-Entry Only System.....	17
Section 3.10	Successor Securities Depository.....	18
Section 3.11	Payments to Cede & Co.....	18

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1	Limitation on Redemption .....	18
Section 4.2	Optional Redemption.....	18
Section 4.3	Mandatory Redemption of Certain Bonds .....	19
Section 4.4	Redemption Procedures .....	19

Section 4.5	Notice of Redemption to Holders .....	19
Section 4.6	Payment Upon Redemption .....	20
Section 4.7	Effect of Redemption .....	20

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.1	Appointment of Initial Paying Agent/Registrar .....	20
Section 5.2	Qualifications .....	21
Section 5.3	Maintaining Paying Agent/Registrar .....	21
Section 5.4	Termination .....	21
Section 5.5	Notice of Change .....	21
Section 5.6	Agreement to Perform Duties and Functions .....	21
Section 5.7	Delivery of Records to Successor .....	21

ARTICLE VI

FORM OF THE BONDS

Section 6.1	Form Generally .....	21
Section 6.2	Form of Bonds .....	22
Section 6.3	CUSIP Registration .....	30
Section 6.4	Legal Opinion .....	30
Section 6.5	Security Agreement, Filings .....	30
Section 6.6	Statement of Insurance .....	30

ARTICLE VII

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

Section 7.1	Method of Execution, Delivery of Bonds .....	31
Section 7.2	Approval and Registration .....	31

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1	Deposit and Uses of Bond Proceeds .....	32
Section 8.2	Payment of the Bonds .....	32
Section 8.3	Representations and Covenants .....	32
Section 8.4	Covenants Regarding Tax-Exemption .....	32
Section 8.5	Bond Insurance .....	34

ARTICLE IX

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

Section 9.1 Subscription of Federal Securities ..... 35  
Section 9.2 Approval of Escrow Agreement ..... 35  
Section 9.3 Notice of Deposit ..... 35

ARTICLE X

APPROVAL OF PRELIMINARY OFFICIAL STATEMENT, REPEAL, SEVERABILITY, AND EFFECTIVE DATE

Section 10.1 Approval of Official Statement ..... 36  
Section 10.2 Resolution Irrepealable ..... 36  
Section 10.3 Severability ..... 36  
Section 10.4 Further Action ..... 36  
Section 10.5 Effective Date ..... 36

Signatures ..... 39

Schedule I - Refunded Obligation Candidates ..... I-1

Exhibit A - Form of Bond Purchase Agreement ..... A-1  
Exhibit B - Form of Escrow Agreement ..... B-1  
Exhibit C - Form of Master Paying Agent/Registrar Agreement ..... C-1  
Exhibit D - Form of Preliminary Official Statement ..... D-1

RESOLUTION NO. 010096

SECOND SUPPLEMENTAL DEBT RESOLUTION AUTHORIZING THE ISSUANCE OF DALLAS AREA RAPID TRANSIT SENIOR LIEN SALES TAX REVENUE BONDS, SERIES 2001, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$400,000,000, SUBJECT TO CERTAIN PARAMETERS; PROVIDING THE SECURITY THEREFOR; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT RELATING TO SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER PAYING AGENT AGREEMENT AND AN ESCROW AGREEMENT; PROVIDING FOR THE EXECUTION AND DELIVERY OF THE BONDS; APPROVING THE PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING OTHER TERMS, PROVISIONS AND COVENANTS WITH RESPECT TO THE BONDS.

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**WHEREAS**, on January 23, 2001, the Subregional Board of Directors (the "Board") of Dallas Area Rapid Transit ("DART") adopted its Master Debt Resolution relating to the financing and refinancing of expansions, improvements and further developments to DART's System; and

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

**WHEREAS**, the Board, pursuant to Chapter 1371, Government Code, as amended, hereby determines that DART should authorize and issue a first series of the Initial Senior Lien Obligations permitted by Section 3.1(a) of the Master Debt Resolution for the purpose of refunding certain outstanding commercial paper notes of DART, hereinafter defined as the "Refunded Obligations," issued to provide interim financing for Eligible Projects; and

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

**WHEREAS**, there are presently outstanding certain commercial paper notes of DART, described on Schedule I attached hereto and incorporated herein by reference for all purposes (collectively, the "Refunded Obligation Candidates"); and

**WHEREAS**, Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), authorizes DART to enter into an escrow agreement with any paying agent for the Refunded

Obligations, with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as DART and such paying agent may agree, provided that such deposits may be invested and reinvested only in direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the Refunded Obligations; and

**WHEREAS**, Bank One, National Association, is the issuing and paying agent for the Refunded Obligations, and the Escrow Agreement hereinafter authorized constitutes an escrow agreement of the kind authorized by said Chapter 1207; and

**WHEREAS**, the Board hereby finds and determines that the issuance of the first series of the Initial Senior Lien Obligations, as long-term fixed rate obligations, for the purpose of refunding the Refunded Obligations and restructuring the debt payable from the Gross Sales Tax Revenues described in the Master Debt Resolution is in the best interests of DART and is in the public interest, and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

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

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

## ARTICLE I

### DEFINITIONS AND OTHER PRELIMINARY MATTERS

**Section 1.1 Short Title.** This resolution may be cited herein as the or this “Resolution,” and hereafter in other documents and without further description as the “Second Supplemental Debt Resolution.”

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

**Authorized Officer** - means the President and Executive Director, the Chief Financial Officer, the Treasurer, the Assistant Treasurer, and such other officers or employees of DART as may be authorized to perform duties under this Resolution by the Board.

**Bond** - means any of the Bonds.

**Bond Counsel** - means Vinson & Elkins L.L.P., and Robinson, West & Gooden, P.C., both of Dallas, Texas, or one or more additional firms of nationally recognized attorneys selected by the Board that are experienced in financings through the issuance of tax-exempt obligations under Section 103 of the Code.

**Bond Date** - means August 1, 2001.

**Bond Purchase Agreement** - means the Bond Purchase Agreement to be entered into between DART and the Underwriters, as contemplated and authorized in Section 3.2(c) and substantially in the form of Exhibit A.

**Bonds** - means the first series of the Initial Senior Lien Obligations authorized by Section 3.1(a) of the Master Debt Resolution, entitled “Dallas Area Rapid Transit Senior Lien Sales Tax Revenue Bonds, Series 2001,” and further described in Section 3.1.

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

**Closing Date** - means the date on which the Bonds are actually delivered to and paid for by the Underwriters.

**Commercial Paper Revolving Credit Agreement** - means the agreement among DART and Westdeutsche Landesbank Girozentrale, acting through its New York Branch, Bayerische Landesbank Girozentrale, acting through its New York Branch, State Street Bank and Trust Company and Landesbank Baden-Württemberg, acting through its New York Branch, as Lenders, and Westdeutsche Landesbank Girozentrale, acting through its New York Branch, as Administrative

Agent for the Lenders and dated as of February 1, 2001, that provides a line of credit to DART supporting the Notes.

**Coverage Tests** - mean the financial tests that DART is required to meet as preconditions to the issuance of Senior Lien Obligations as set forth in Sections 3.2(b)(iii) and 3.2(b)(iv) of the Master Debt Resolution and in Section 5.13(c) of the Commercial Paper Revolving Credit Agreement.

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

**DTC** - means The Depository Trust Company of New York, New York, or any successor securities depository.

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

**Escrow Agent** - means Bank One, National Association, and its successors and assigns.

**Escrow Agreement** - means that certain Escrow Agreement to be executed between DART and the Escrow Agent as contemplated and authorized in Section 9.2 and substantially in the form of Exhibit B.

**Escrow Fund** - means the special fund established by that name in the Escrow Agreement.

**Federal Tax Certificate** - means a certificate regarding federal income tax matters, approved by Bond Counsel and delivered, amended or supplemented by DART, from time to time, including at the time of the first delivery of any of the Bonds.

**First Supplemental Debt Resolution** - means Resolution No. 010015, adopted by the Board on January 23, 2001, that specifically describes and authorizes the Notes.

**Fitch** - means Fitch, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then such term shall be deemed to refer to any other nationally recognized securities rating agency selected by the Board.



**Initial Bond** - means the Bond described in Section 7.1(c) with the insertions required by Section 6.2(d).

**Insurer** - means the issuer of the Policy, as provided in the Pricing Certificate, having the rights and responsibilities set forth in Section 8.5, and any successor thereto.

**Interest Payment Date** - means the date or dates upon which interest on the Bonds is scheduled to be paid, such dates being June 1 and December 1 of each year commencing December 1, 2001.

**Mandatory Redemption Dates** - means the dates on which DART is obligated to redeem Bonds in advance of their respective Stated Maturity Dates in accordance with Section 4.3, which dates are set forth in the Pricing Certificate.

**Master Debt Resolution** - means Resolution No. 010014, bearing that title, and adopted by the Board on January 23, 2001.

**Master Paying Agent Agreement** - means the Master Paying Agent Agreement between DART and the Paying Agent/Registrar that specifies the duties and responsibilities of the Paying Agent/Registrar with respect to the Bonds and other Obligations issued by DART pursuant to the authority reserved in the Master Debt Resolution, and authorized in Section 5.1(b) hereof and substantially in the form of Exhibit C.

**Moody's** - means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then such term shall be deemed to refer to any other nationally recognized securities rating agency selected by the Board.

**Notes** - means the commercial paper notes of DART entitled "Dallas Area Rapid Transit Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series 2001," previously authorized by the Board pursuant to Section 3.3(a) of the Master Debt Resolution and by the First Supplemental Debt Resolution.

**Outstanding Resolutions** - means the Master Debt Resolution, the First Supplemental Debt Resolution, this Resolution, and any other Supplemental Resolutions under and pursuant to which any Outstanding Obligations have been issued or executed, or prior resolutions amended.

**Paying Agent/Registrar** - means Bank One, National Association, Dallas, Texas, appointed pursuant to Section 5.1, or any successor thereto as provided in this Resolution.

**Pledged Funds** - means the Senior Lien Debt Service Fund and the special accounts created thereunder.

**Policy** - means the policy of municipal bond insurance relating to the Bonds, if any, issued on the Closing Date by the Insurer.

**Preliminary Official Statement** - means, collectively, the Preliminary Supplemental Official Statement, dated July 10, 2001, and DART's Master Disclosure Statement, dated February 8, 2001, as amended and updated by DART's Quarterly Disclosure Update dated June 30, 2001, all as approved in Section 10.1 .

**President** - means the President/Executive Director of DART.

**Pricing Certificate** - means the certificate of the President or Chief Financial Officer authorized in Section 3.2.

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

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

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

**Refunded Obligation Candidates** - means the Notes of DART described in Schedule I attached hereto which are authorized to be designated as Refunded Obligations in the Pricing Certificate.

**Refunded Obligations** - means those Notes of DART to be designated in the Pricing Certificate from the universe of Refunded Obligation Candidates described in Schedule I attached hereto.

**Representation Letter** - means the "Blanket Issuer Letter of Representations" between DART and DTC, as ratified in Section 3.9(c).

**Resolution** - means this Resolution.

**S&P** - means Standard & Poor's Ratings Services, A Division of The McGraw-Hill Companies, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then such term shall be deemed to refer to any other nationally recognized securities rating agency selected by the Board.

**Stated Maturity Dates** - means the respective dates on which the Bonds are stated to mature, in accordance with Section 3.2(b).

**Underwriters** - means the person, firm or entity or the group thereof, initially purchasing the Bonds from DART pursuant to the Bond Purchase Agreement.

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

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

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

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

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

(i) The Bonds are Bond Obligations that are the first series of the Initial Senior Lien Obligations that are authorized by Section 3.1(a) of the Master Debt Resolution.

(ii) Because the Bonds are being issued solely to refund the Refunded Obligations, no Coverage Tests are applicable to the Bonds.

(iii) The Bonds are not Interim Obligations.

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

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

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

(vii) This Resolution is a Supplemental Resolution adopted pursuant to Section 9.2(a)(vi) of the Master Debt Resolution.

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

(ix) The Policy is a Credit Agreement and the related Credit Agreement Obligations are Senior Lien Obligations, and the Insurer is a Credit Provider; however, the Policy does not create a Credit Agreement Obligation that is separate and apart from or is in addition to the Bonds.

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

(xi) The Insurer, as a Credit Provider, is authorized to give and withdraw notices of default under the provisions of Section 7.1(iii) of the Master Debt Resolution.

(xii) The Bonds, being payable from the Pledged Revenues and having maturities longer than five (5) years, are subject to the Voted Tax and Debt Limits. Accordingly, after the issuance of the Bonds, DART shall have the right to issue, within the Voted Tax and Debt Limits, Bond Obligations that are payable solely from the Pledged Revenues and having maturities longer than five (5) years in the aggregate principal amount of \$2.5 billion (or such greater amount, to be set forth in the Pricing Certificate, as equals the sum of \$2.5 billion plus the difference between \$400 million and the aggregate principal amount of the Bonds).

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

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

(i) In addition to its right to amend the Outstanding Resolutions without the consent of or notice to the Holders of Bond Obligations, under Section 9.2 of the Master Debt Resolution, DART shall have the right to amend the Outstanding Resolutions without the consent of or notice to the Holders of Bond Obligations, under Sections 9.3 or 9.4 of the Master Debt Resolution, if the Bonds are insured and such amendment is approved by the Insurer, and by all Credit Providers, if any, and each Bondholder Representative, if any, whose consent is required by another Supplemental Resolution. If the Bonds are not insured, DART must obtain the consent of the Holders if otherwise required by Article IX of the Master Debt Resolution. In the event that less than all of the maturities of the Bonds are insured, the Insurer shall be deemed to be the Holder of those Bonds for which the Policy of the Insurer is effective for the purpose of determining whether the requisite percentage of Holders have given their consent, if required, pursuant to Sections 9.3 and 9.4 of the Master Debt Resolution.

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

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

(iv) The specific information that must be provided pursuant to the disclosure requirements of the Rule with respect to the Bonds shall be (A) the audited financial statements of DART for each Fiscal Year ending on and after September 30, 2001, and (B) the annual financial information shall be the data contained in the charts set forth under "DART'S FINANCIAL PRACTICES AND RESOURCES" in DART's Master Disclosure Statement, dated February 8, 2001, as amended and updated by DART's Quarterly Disclosure Update dated June 30, 2001.

## ARTICLE II

### PURPOSES, PLEDGE AND SECURITY FOR BONDS

**Section 2.1** Purposes of Resolution. The purposes of this Resolution are to authorize, subject to the parameters set forth herein, the President or Chief Financial Officer to approve the specific terms and provisions of the Bonds as evidenced by the execution and delivery of the Pricing Certificate, to extend expressly the pledge, lien, security, and provisions of the Master Debt Resolution to and for the benefit of the Holders of the Bonds, to provide certain covenants

to and for the benefit of the Insurer, and to sell the Bonds to the Underwriters pursuant to the Bond Purchase Agreement.

**Section 2.2** Pledge, Security for, Sources of Payment of Bonds. (a) The levy of the Sales Tax, and the pledge, the security, and the filing provisions of Sections 2.2, 2.3 and 2.4, respectively, of the Master Debt Resolution are hereby expressly restated, fixed, brought forward and granted to the Holders of the Bonds, subject to the terms of such Sections.

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

### ARTICLE III

#### AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

**Section 3.1** Authorization. (a) A first series of the Initial Senior Lien Obligations, to be designated “Dallas Area Rapid Transit Senior Lien Sales Tax Revenue Bonds, Series 2001,” in the maximum aggregate principal amount of \$400,000,000, is authorized to be issued and delivered in accordance with Applicable Law. The Bonds are to be issued for the purposes of refunding the Refunded Obligations.

(b) The Authorized Officers are authorized and directed (i) to pay the premium or premiums on the Policy and the costs of issuance of the Bonds, from moneys in DART’s unencumbered funds and accounts, when and as statements are received requesting such payment and (ii) to transfer to the Escrow Fund on the Closing Date at the direction of an Authorized Officer (a) all amounts held in the Senior Subordinate Lien Debt Service Fund allocable to the Refunded Obligations, and (b) such other moneys in DART’s unencumbered funds and accounts, which together with the deposit of Bond proceeds to the Escrow Fund pursuant to Section 8.1, are sufficient to defease the Refunded Obligations.

**Section 3.2** Bond Date, Denominations, Numbers, Maturities, Interest and Characteristics of the Initial Bond. (a) The Bonds are hereby authorized to be issued, sold, and delivered, without interest coupons, dated the Bond Date, in the maximum aggregate principal amount of \$400,000,000, and in denominations of \$5,000 or any integral multiple thereof, and shall be numbered separately from one (1) upward, except the Initial Bond, which shall be numbered T-1. The Bonds shall mature on December 1 in the years and in the principal amounts set forth in the Pricing Certificate. The Bonds shall mature and become payable not later than December 1, 2031.

(b) As authorized by Chapters 1207 and 1371, Government Code, as amended, the President and the Chief Financial Officer, are each hereby authorized, appointed, and designated

as authorized officers who are authorized to act individually on behalf of DART in the selling and delivering of the Bonds and carrying out the other procedures specified in this Resolution, including the determination of the price at which each of the Bonds will be sold, the Underwriters' fee (or discount), the form in which the Bonds shall be issued, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of the Refunded Obligations, the selection of the Refunded Obligations, the aggregate principal amount of the Bonds, the rate of interest to be borne by each maturity, the date, prices and terms upon and at which the Bonds shall be subject to redemption at the option of DART and shall be subject to mandatory sinking fund redemption, and all other matters relating to the issuance, sale, and delivery of the Bonds, including the refunding of the Refunded Obligations, all of which shall be specified in the Pricing Certificate.

(c) The President and Chief Financial Officer, acting for and on behalf of DART, are each authorized to enter into and carry out a Bond Purchase Agreement, in substantially the form attached hereto as Exhibit A, with the parties indicated in Exhibit A, with the terms specified in the Pricing Certificate, and other matters as shall be determined by the President or the Chief Financial Officer and set forth therein; provided that (i) the price to be paid for the Bonds shall not be less than 97% of the initial aggregate principal amount thereof, (ii) the maximum Underwriters' fee (or discount) shall be .75% of the principal amount of the Bonds; and (iii) no Bond shall bear interest at a rate greater than 7.5% per annum. It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless, prior to delivery, the Bonds have been rated by either Fitch, Moody's, or S&P in one of the four highest rating categories for long-term obligations, as required by Applicable Law. The principal amount of the Bonds shall be determined and the selection of the Refunded Obligations from the universe of Refunded Obligation Candidates shall be made as follows:

(i) The President and the Chief Financial Officer are instructed to refund the maximum principal amount of Refunded Obligation Candidates that can be refunded with the net proceeds from the sale of the Bonds, (the amount of such sale proceeds for the Bonds being based upon bond market conditions and available interest rates for the Bonds on the date of the sale of the Bonds), together with the other moneys deposited to the Escrow Fund and investment earnings thereon, all as set forth in the Pricing Certificate.

(ii) Subject to subparagraph 3 of this Section 3.2(c), the aggregate principal amount of the Bonds to be issued shall be that amount, not exceeding \$400,000,000, that can be issued in authorized denominations, at a price resulting in net Bond proceeds which would be sufficient, together with other amounts deposited to the Escrow Fund, and investment earnings thereon to pay when due the principal of and interest on all Refunded Obligation Candidates.

(iii) In the event that issuing the Bonds in the aggregate principal amount of \$400,000,000 (or in an aggregate principal amount less than \$400,000,000, but in authorized denominations as provided in subparagraph 2 of this Section 3.1(c)) results in proceeds that, together with other amounts deposited to the Escrow Fund and the investment earnings thereon, would be less than the aggregate principal amount of and interest on all Refunded Obligation

Candidates, then the President or Chief Financial Officer shall select Refunded Obligations from the universe of Refunded Obligation Candidates as follows:

(A) First, the President or Chief Financial Officer shall select as Refunded Obligations those Refunded Obligation Candidates bearing interest at the highest rate and thereafter shall select as Refunded Obligations, Refunded Obligation Candidates in inverse order of the interest rates on such Refunded Obligation Candidates.

(B) If Refunded Obligation Candidates of more than one maturity date bear the same lowest rate of interest, Refunded Obligation Candidates shall be selected as Refunded Obligations in inverse order of maturity.

(C) In the event that application of the proceeds of the Bonds to payment of the Refunded Obligation Candidates bearing the lowest interest rate and maturing on one date would result in the refunding of Refunded Obligations in an amount that is not an authorized denomination of the Notes, DART shall furnish from its unencumbered funds and accounts an amount not exceeding \$999.99, to be used to refund the last increment of such Refunded Obligations in an authorized denomination of \$1,000, and the balance of the Refunded Obligation Candidates maturing on that date and bearing that interest rate shall not be refunded.

(D) The Refunded Obligations shall be identified in the Pricing Certificate executed on the date of the Bond Purchase Agreement by the President or Chief Financial Officer.

(d) The President and Chief Financial Officer are authorized to provide for a Policy with respect to the Bonds, provided that the President or Chief Financial Officer shall determine that the cost of the insurance premium shall not exceed the net present value savings resulting from insuring the Bonds. The President or Chief Financial Officer shall specify the name of the Insurer in the Pricing Certificate and shall specify therein which maturity or maturities, if any, will be insured. Any Authorized Officer is authorized to execute any instruments requested by an Insurer in connection with the provision of insurance and to pay any insurance premiums as set forth in Section 3.1(b).

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



(f) In the event the Bond Purchase Agreement shall not be executed on or before 5:00 p.m. on October 31, 2001, the delegation to the President and the Chief Financial Officer pursuant to this Resolution shall cease to be effective unless the Board shall act to extend such delegation.

**Section 3.3** Medium, Method and Place of Payment. (a) The principal of, premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America as provided in this Section.

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

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

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

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

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

(g) Interest shall accrue and be paid on each Bond respectively until its maturity or prior redemption, from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity

specified in the Pricing Certificate as provided in Section 3.2(b). Such interest shall be payable semiannually on each Interest Payment Date. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each, with the first Interest Payment Date to be December 1, 2001.

(h) Notwithstanding any other provision of this Resolution, during any period in which the Bonds are held in book-entry-only form by DTC in accordance with Section 3.9 hereof, payment of the principal, together with any premium, and interest on the Bonds, shall be paid to DTC in immediately available or next day funds on each Interest Payment Date in the manner specified in the Representation Letter.

**Section 3.4 Ownership.** (a) The Board, the Paying Agent/Registrar and any other person may treat each Holder of each Bond as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, and for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to each Holder on the Record Date), and for all other purposes, whether or not such Bond is overdue, and neither the Board nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

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

**Section 3.5 Registration, Transfer and Exchange.** (a) So long as any Bonds remain Outstanding, the Board shall cause the Paying Agent/Registrar to keep an Obligation Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Resolution.

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

(c) Any Bond may be converted and exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar together with a written request therefor duly executed by the Holder or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest

rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the Holder, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Holder upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds shall be delivered by the Paying Agent/Registrar to the Holder of the Bond or Bonds in not more than three Business Days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned, transferred or converted shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall convert and exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original contractual obligation of DART and shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such substitute Bond is delivered.

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

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

**Section 3.6 Cancellation and Authentication.** All Bonds paid or redeemed before their Stated Maturity Dates in accordance with this Resolution, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Resolution, shall be canceled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the canceled Bonds in accordance with Applicable Law.

**Section 3.7 Temporary Bonds.** (a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the Authorized Officers may execute and, upon request, the Paying Agent/Registrar shall authenticate and deliver, one or

more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the Authorized Officers executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

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

(c) DART, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Holder.

**Section 3.8 Replacement Bonds.** (a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. DART or the Paying Agent/Registrar may require the Holder of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

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

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

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

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

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

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such

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

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

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

**Section 3.9 Book-Entry Only System.** (a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

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

interest checks or drafts being mailed to the Holder at the close of business on the Record Date, the word “Cede & Co.” in this Resolution shall refer to such new nominee of DTC.

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

**Section 3.10 Successor Securities Depository.** In the event that DART or the Paying Agent/Registrar determine that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, DART or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Obligation Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Holders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

**Section 3.11 Payments to Cede & Co.** Notwithstanding any other provision of this Resolution to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

## ARTICLE IV

### REDEMPTION OF BONDS BEFORE MATURITY

**Section 4.1 Limitation on Redemption.** The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV.

**Section 4.2 Optional Redemption.** (a) The President or Chief Financial Officer shall specify in the Pricing Certificate and in the Bonds the optional redemption provisions, if any, applicable to the Bonds.

(b) If less than all of the Bonds are to be redeemed pursuant to subsection (a) above, DART shall have the right to determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption as determined by DART in its sole discretion.

**Section 4.3** Mandatory Redemption of Certain Bonds. (a) The President or Chief Financial Officer shall specify in the Pricing Certificate and in the Bonds the mandatory redemption provisions, if any, applicable to the Bonds.

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

**Section 4.4** Redemption Procedures. (a) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(b) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.5 of this Resolution, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

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

**Section 4.5** Notice of Redemption to Holders. (a) DART, at least 45 days before a redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

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

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

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

**Section 4.6** Payment Upon Redemption. (a) Before or on each redemption date, the Board shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from DART and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed, or the tender or negotiated price in the case of Bonds tendered or purchased under Section 4.3(b)(i).

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

**Section 4.7** Effect of Redemption. (a) Notice of redemption having been given as provided in Section 4.5 of this Resolution, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless DART fails in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon on the date fixed for redemption, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

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

## ARTICLE V

### PAYING AGENT/REGISTRAR

**Section 5.1** Appointment of Initial Paying Agent/Registrar. (a) Bank One, National Association, is hereby designated and appointed as the initial Paying Agent/Registrar for the Bonds, under and subject to the terms and provisions of the Master Debt Resolution, this Resolution and the Master Paying Agent Agreement.

(b) The execution and delivery of a Master Paying Agent Agreement, in substantially the form of Exhibit C (but with such modifications as may be approved by any Authorized Officer to incorporate insubstantial and conforming changes that such officer finds and determines are necessary and appropriate to fulfill the purposes of this Resolution) specifying the duties and responsibilities of DART and the Paying Agent/Registrar with respect to the Bonds and other Obligations, are hereby authorized and the Chairman of the Board and any other Authorized Officer is each hereby designated as an Authorized Officer, authorized to execute such Master Paying Agent Agreement, with such changes therein as such Authorized Officer shall deem appropriate and in the best interests of DART, as conclusively evidenced by the execution thereof.



**Section 5.2** Qualifications. The Paying Agent/Registrar shall be a commercial bank, a trust company organized under applicable laws, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

**Section 5.3** Maintaining Paying Agent/Registrar. (a) At all times while any Bonds are Outstanding, DART will maintain a Paying Agent/Registrar that is qualified under Section 5.2 of this Resolution.

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

**Section 5.4** Termination. DART, upon not less than 60 days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Bonds.

**Section 5.5** Notice of Change. Promptly upon each change in the entity serving as Paying Agent/Registrar, DART will cause notice of the change to be sent to each Holder and the Insurer, if any, by first class United States mail, postage prepaid, at the address in the Obligation Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

**Section 5.6** Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar acknowledges receipt of copies of the Master Debt Resolution and this Resolution, and is deemed to have agreed to the provisions of thereof, and to perform the duties and functions of Paying Agent/Registrar prescribed therein and herein.

**Section 5.7** Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Obligation Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

## ARTICLE VI

### FORM OF THE BONDS

**Section 6.1** Form Generally. (a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by DART.

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

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

Section 6.2 Form of Bonds. The form of Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) [Form of Bond]

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

United States of America  
State of Texas  
DALLAS AREA RAPID TRANSIT  
SENIOR LIEN SALES TAX REVENUE BONDS, SERIES 2001

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP NO.
_____ %	December 1, _____	August 1, 2001	_____

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

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

\_\_\_\_\_ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Bond Date, as specified above, or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on June 1 and December 1 of each year, commencing December 1, 2001.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Columbus, Ohio (the "Designated Payment/Transfer Office"), of Bank One, National Association, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing such notice.

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

This Bond is one of a series of fully registered bonds specified in the title hereof, dated August 1, 2001, issued in the aggregate principal amount of \$\_\_\_\_\_1 pursuant to the "Master Debt Resolution," as defined in the Second Supplemental Debt Resolution adopted on July 10, 2001 by the Board of Directors of DART (the "Second Supplemental Resolution"). The Master Debt Resolution and the Second Supplemental Resolution are herein collectively referred to as the "Resolutions." This Bond is one of the first series of Initial Senior Lien Obligations authorized by the Resolutions and is subject to the terms and provisions thereof. The Resolutions and their respective terms and provisions are incorporated herein for all purposes.

The Bonds were issued by DART for the purposes of refunding a portion of DART's outstanding Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series 2001, as defined, described, and authorized by the Master Debt Resolution, and issued pursuant to the First Supplemental Debt Resolution of DART, adopted on January 23, 2001.

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

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

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

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

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

\*The Bonds maturing \_\_\_\_\_ 1, \_\_\_\_\_, \_\_\_\_\_ 1, \_\_\_\_\_, \_\_\_\_\_ 1, \_\_\_\_\_, \_\_\_\_\_ 1, \_\_\_\_\_ and \_\_\_\_\_ 1, \_\_\_\_\_ shall be redeemed prior to stated maturity in part by lot on \_\_\_\_\_ 1 as indicated, in each of the years set forth below from moneys required to be deposited to the credit of the Senior Lien Debt Service Fund at the principal amount thereof and accrued interest to date of redemption, without premium. Such required sinking fund installments as to each maturity are as follows:

BONDS MATURING \_\_\_\_\_ 1, \_\_\_\_\_

Year

Amount

BONDS MATURING \_\_\_\_\_ 1, \_\_\_\_\_  
Year Amount

BONDS MATURING \_\_\_\_\_ 1, \_\_\_\_\_  
Year Amount

BONDS MATURING \_\_\_\_\_ 1, \_\_\_\_\_  
Year Amount

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

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

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

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

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

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

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(Execution Page Follows)

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

COUNTERSIGNED:

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President, Chairman of the Board of Directors,  
Dallas Area Rapid TransitDallas Area Rapid Transit

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Secretary of the Board of Directors  
Dallas Area Rapid Transit

(b) [Form of Certificate of Paying Agent/Registrar]

CERTIFICATE OF PAYING AGENT/REGISTRAR

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

BANK ONE, NATIONAL ASSOCIATION  
\_\_\_\_\_ as Paying Agent/Registrar

Dated: \_\_\_\_\_ By: \_\_\_\_\_

(c) [Form of Assignment]

ASSIGNMENT

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

\_\_\_\_\_  
\_\_\_\_\_

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

Dated: \_\_\_\_\_

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

Signature Guaranteed By:

\_\_\_\_\_  
Authorized Signatory



(d) Initial Bond Insertions.

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

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

(B) in the first paragraph:

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

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

Years	Principal Installments	Interest Rates
-------	------------------------	----------------

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

(C) the Initial Bond shall be numbered T-1.

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

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

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

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

**Section 6.3** CUSIP Registration. DART may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither DART, the Board, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

**Section 6.4** Legal Opinion. The approving legal opinions of Bond Counsel shall be delivered to the Paying Agent/Registrar and the delivery thereof shall be acknowledged by the Paying Agent/Registrar on behalf of the Holders of the Bonds.

**Section 6.5** Security Agreement, Filings. (a) A certified copy of this Resolution shall be delivered to the Trustee and the Paying Agent/Registrar, and the same shall constitute a security agreement pursuant to and for all purposes of Applicable Law, with the Holders of the Bonds as the secured parties to the extent stated herein and in the Outstanding Resolutions. The grants, assignments, liens, pledges and security interests created herein shall become effective immediately upon and from the time of payment for and delivery of the Bonds, and the same shall be continuously effective for so long as any Bonds are Outstanding.

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

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

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

**Section 6.6** Statement of Insurance. A statement relating to the Policy, if any, to be issued for any Bond may be printed on or attached to such Bond.

## ARTICLE VII

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

**Section 7.1** Method of Execution, Delivery of Bonds. (a) Each of the Bonds shall be signed and executed on behalf of DART by the manual or facsimile signature of the Chairman of its Board and countersigned by the manual or facsimile signatures of its President and Secretary, and the corporate seal of DART shall be impressed, printed, lithographed or otherwise reproduced or placed on each Bond. All manual or facsimile signatures placed upon the Bonds shall have the same effect as if manually placed thereon, all to be done in accordance with Applicable Law.

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

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

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

**Section 7.2** Approval and Registration. The Authorized Officers are authorized to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Authorized Officers are hereby authorized and instructed to make such certifications and to execute such instruments as may be necessary to accomplish

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

## ARTICLE VIII

### GENERAL PROVISIONS

**Section 8.1** Deposit and Uses of Bond Proceeds. Accrued interest on the Bonds shall be deposited into the Senior Lien Debt Service Fund. The balance of the proceeds received from the sale of the Bonds shall be deposited to the Escrow Fund to effect the purposes stated therein.

**Section 8.2** Payment of the Bonds. The Paying Agent/Registrar shall calculate and furnish calculations of Accrued Aggregate Debt Service for the Bonds upon request of the Trustee as provided in Section 5.3(c) of the Master Debt Resolution. While any of the Bonds are outstanding and unpaid, the Trustee shall deposit Pledged Revenues to the Senior Lien Debt Service Fund at the times and in the amounts required by the Master Debt Resolution and shall make available to the Paying Agent/Registrar, out of the Senior Lien Debt Service Fund, the amounts and at the times required by this Resolution required to pay all amounts due and payable on the Bonds when and as due and payable.

**Section 8.3** Representations and Covenants. (a) DART will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Outstanding Resolutions and this Resolution; and DART will promptly pay or cause to be paid from Pledged Revenues and the Senior Lien Debt Service Fund the principal of, interest on, and premium, if any, with respect to, each Bond on the dates and at the places and manner prescribed in each Bond.

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

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

**Section 8.4** Covenants Regarding Tax-Exemption. (a) DART intends that the interest on the Bonds shall be excludable from gross income for purposes of federal income taxation pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Income Tax Regulations promulgated thereunder the

("Regulations"). DART covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in the gross income, as defined in section 61 of the Code, of the Holders thereof for purposes of federal income taxation. In particular, DART covenants and agrees to comply with each requirement of this Section 8.4; provided, however, that DART shall not be required to comply with any particular requirement of this Section 8.4 if DART has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or if DART has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 8.4 will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 8.4.

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

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

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

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

(f) If DART does not qualify for an exception to the requirements of Section 148(f) of the Code, DART will take all necessary steps to comply with the requirement that certain amounts earned by DART on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, DART will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of DART allocable to other debt securities issued by DART or moneys which do not represent gross proceeds of any debt securities of DART, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, DART will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any Person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

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

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

(i) Notwithstanding any other provision of this Resolution, DART’s obligations under the covenants and provisions of this Section 8.4 shall survive defeasance and discharge of the Bonds.

**Section 8.5** Bond Insurance. (a) In the event that the President or Chief Financial Officer determines pursuant to Section 3.2(d) that the Bonds shall be offered and sold with bond insurance provided by the Insurer, the provisions of this Section 8.5 shall apply with respect to such Insurer, with the bond insurance to be evidenced by the then current legal form of the Policy. In the event that bond insurance is not issued on the Closing Date, this Section and all references to the Insurer and the Policy in this Resolution shall be of no force and effect. Subject to the preceding sentence, DART covenants and agrees that:

(i) Upon the occurrence of an Event of Default which would require the Insurer to make payments under the Policy, the Insurer and its designated agent shall be provided with access to the Obligation Register relating to the Bonds. In addition, the Insurer shall be deemed the sole Holder of the Bonds that it has insured with respect to any action taken pursuant to Article VII of the Master Debt Resolution. In determining whether a payment default relating to the Bonds has occurred pursuant to Section 7.1(i) of the Master Debt Resolution, no effect shall be given to payments made under the Policy. Furthermore, notice of any payment default with respect to the Bonds shall be given immediately by DART to the Insurer.

(ii) Notwithstanding any other provision of this Resolution, no resignation or removal of the Paying Agent/Registrar shall become effective until a successor has been appointed and has accepted the duties of the Paying Agent/Registrar. The Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent/Registrar and the appointment of any successor thereto.

(b) The following information and data shall be provided to the Insurer by the Board periodically as follows:

(i) Annually, when available, the annual budget of DART and its annual audited financial statements.

(ii) An official statement or offering document, if any, prepared in connection with the issuance of any Obligations.

## ARTICLE IX

### PAYMENT OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AGREEMENT; PURCHASE OF ESCROWED SECURITIES

**Section 9.1** Subscription of Federal Securities. Any Authorized Officer hereby authorized to make necessary arrangements for the purchase of the “Federal Securities,” as referenced and defined in the Escrow Agreement, as may be necessary for the Escrow Fund, and the application for the acquisition of the Federal Securities is hereby approved and ratified. Money in the Escrow Fund shall be invested as provided in the Escrow Agreement.

**Section 9.2** Approval of Escrow Agreement. The Escrow Agreement, in substantially the form attached hereto as Exhibit B, is approved and the Chairman of the Board and any other Authorized Officer is each hereby designated an Authorized Officer, authorized, empowered and directed to execute and deliver the same, with such changes therein as such officer shall deem appropriate and in the best interests of DART, as conclusively evidenced by the execution thereof.

**Section 9.3** Notice of Deposit. The Escrow Agent for the Refunded Obligations is hereby authorized and directed to give notice of deposit with respect to the Refunded Obligations to Holders of the Refunded Obligations described in the Escrow Agreement.

## ARTICLE X

### APPROVAL OF PRELIMINARY OFFICIAL STATEMENT, REPEAL, SEVERABILITY, AND EFFECTIVE DATE

**Section 10.1** Approval of Official Statement. The Preliminary Official Statement in the form and substance attached hereto as Exhibit D is hereby approved, with such changes therein as may be approved by the President or Chief Financial Officer of DART. The Preliminary Official Statement is hereby deemed final as of its dated date (except for the omission of pricing and related information with respect to the Bonds) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The President and the Chief Financial Officer are each authorized and directed to complete on behalf of DART and in their official capacities, the Preliminary Official Statement, with such modifications, completions, changes and supplements, as those officers shall approve and authorize to reflect the rates of interest, redemption provisions and pricing information with respect to the Bonds, the Preliminary Official Statement as so completed being hereinafter referred to as the "Official Statement." The Authorized Officers are hereby authorized and directed to use and distribute or authorize the use and distribution of the Official Statement and any addenda, supplement or amendment thereto, to the Underwriters, in the offering and sale of the Bonds.

**Section 10.2** Resolution Irrepealable. After any of the Bonds are issued, this Resolution shall constitute a contract between DART, the Holders of the Bonds, and the Insurer, and this Resolution and the Master Debt Resolution shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled, refunded or discharged or provision for the payment thereof shall be made.

**Section 10.3** Severability. If any Section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or lack of enforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

**Section 10.4** Further Action. The Authorized Officers and each of them are authorized, empowered and directed to execute such other documents in addition to those enumerated herein and to take such other actions as they deem necessary or advisable in order to carry out and perform the purposes of this Resolution.

**Section 10.5** Effective Date. This Resolution, when duly passed by the Board, shall be in full force and effect.



ADOPTED THIS 10TH DAY OF JULY, 2001.

\_\_\_\_\_  
Secretary, Board of Directors

\_\_\_\_\_  
Chairman, Board of Directors

APPROVED AS TO FORM

ATTEST:

\_\_\_\_\_  
DART Counsel

\_\_\_\_\_  
President/Executive Director

[SEAL]

ACCEPTANCE OF DUTIES AND TRUSTS

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

BANK ONE, NATIONAL ASSOCIATION,  
as Paying Agent/Registrar and Trustee

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

ATTEST:

\_\_\_\_\_  
Authorized Officer

Date: \_\_\_\_\_

SCHEDULE I

Refunded Obligation Candidates

Refunded Obligation Candidates

Dallas Area Rapid Transit Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series 2001, in an aggregate principal amount, with interest and on the payment dates, as follows:

Maturity Date	Principal Amount	Issuance Date	Interest Rate
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EXHIBIT A

Form of Bond Purchase Agreement

(Document Intentionally Omitted- See Tab 6 of this Transcript)

EXHIBIT B

Form of Escrow Agreement

(Document Intentionally Omitted- See Tab 9 of this Transcript)

EXHIBIT C

Form of Master Paying Agent/Registrar Agreement

(Document Intentionally Omitted- See Tab 8 of this Transcript)

EXHIBIT D

Form of Preliminary Official Statement

(Document Intentionally Omitted- See Tab 11 of this Transcript)